

## Doughnut Economics

Some background notes from Cllr Wainwright

### Background:

The Doughnut model is a way of thinking about economics that balances social needs and environmental needs. It's rooted in the idea of a circular economy, rather than a linear one.

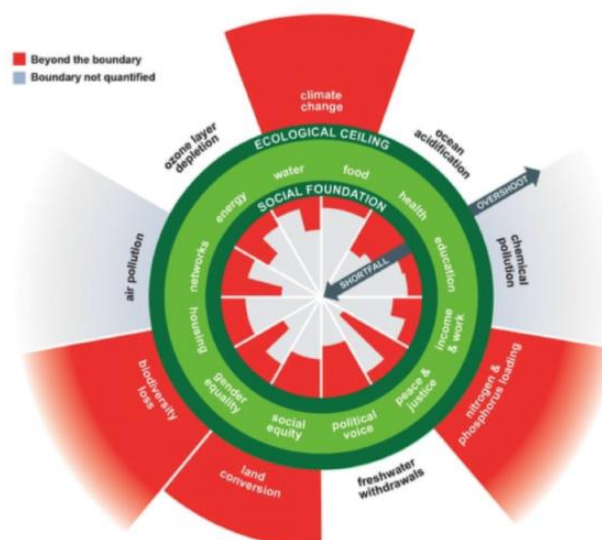
First published in 2012 in an [Oxfam report by Kate Raworth](#), the concept of 'Doughnut Economics' rapidly gained traction internationally, including with the UN General Assembly.

Economist Kate Raworth's 2017 book, *Doughnut Economics: seven ways to think like a 21st century economist*, further explored the economic thinking needed to bring humanity 'into the Doughnut', drawing together insights from diverse economic perspectives in a way that everyone can understand. The book soon became an international bestseller and has now been translated into over 20 languages.

The principle goal of the model is to re-frame economic problems, set new goals and develop an economy where social necessities are met without overshooting ecological limits. Rather than imagine economy, environment and society as three distinct entities, this model seeks to integrate them into one holistic economic approach that recognises the need to meet social imperatives without exceeding the environmental boundaries of our planet.

The centre of the model shows the proportion of people worldwide falling short on basic necessities (food, water, healthcare and political freedom). Surrounding this centre, the model is made up of two rings: On the **outer ring** sit the nine planetary boundaries, first conceived by the [Stockholm Resilience Centre in 2009](#). These boundaries represent points beyond which lie unacceptable environmental degradation and potential tipping points in Earth systems. The boundaries include climate change and ocean acidification, biodiversity loss and the nitrogen cycle. The **inner ring** is made up of 12 social boundaries derived from the [UN Sustainable Development Goals](#) that together represent an internationally agreed minimum social standard.

Between this environmental ceiling and a social floor this model outlines a [safe space](#) for humanity to thrive within the limits of the planet.



See how Cornwall Council are using it to inform and guide decision-making, here:

<https://www.local.gov.uk/case-studies/cornwall-council-doughnut-economics>

*From that link: "The wheel consists of 11 outer environmental sections and 11 inner social, economic and cultural sections. It is designed so that these sections are considered in conjunction with each other and that the wider effects of proposed initiatives are brought into the decision-making process. It is also a tool to prompt thought on how a project can further benefit the residents and environment in Cornwall. It is of benefit to undertake the exercise as early in the project as possible in order to mitigate the effects of any adverse implications that are discovered during the process.*

*The sections of the wheel are considered in turn and assigned an impact level. These scores represent the impact the project / policy will have and are weighed against the decision to proceed, mitigate or not to undertake it at all. A brief narrative is included alongside the wheel which draws attention to any points that project leads would like to clarify or provide further explanation on."*

The doughnut economy framework now underpins the Cornwall Plan 2020-2050, committing key stakeholders to improve sustainability by 2050. The Council are working with Exeter University to monitor progress.

#### **How further thinking on Doughnut Economics might support MDDC:**

- It would support more informed decision-making.
- It would help 'join the dots' between conversations and priorities at MDDC, and make sure that policies and decisions don't undermine or counteract each other.
- It would provide a coherent framework within which to address supporting the local economy and meeting our climate goals. It can be applied in a way that is appropriate to MDDC and recognises budget constraints.
- In supporting and guiding good joined-up thinking, it reduces the burden on decision-makers.
- As budgets diminish, and challenges become more complex, new ways of thinking and approaching decision-making will be crucial.

#### **Challenges presented by the model**

The model started life as a theoretical framework. As Cities and Local Authorities apply this in their regions, the model is being further developed into a practical tool. It needs education, understanding and buy-in to develop it and make it work.

#### **Opportunities presented by the model**

For local government, the Doughnut model offers a guide to policy making that not only re-centres value by setting out the social and ecological parameters for decision-making, but also fosters collaboration and inter-departmental working, as well as opportunities for new partnerships. It offers a new way of approaching 21<sup>st</sup> century challenges.

The Doughnut has been designed to be transferable and adaptable to place. With a number of UK cities actively considering this framework, it may offer the opportunity to integrate sustainability across policy planning and delivery. Rather than dividing environmental and social concerns between departments, this model provides a tool with which to recognise the interconnected nature of sustainable development, and make it mainstream.

Following the global pandemic, there's now an opportunity to rethink and reorientate value towards social and environmental concerns over the coming months. This framework could help us do so.