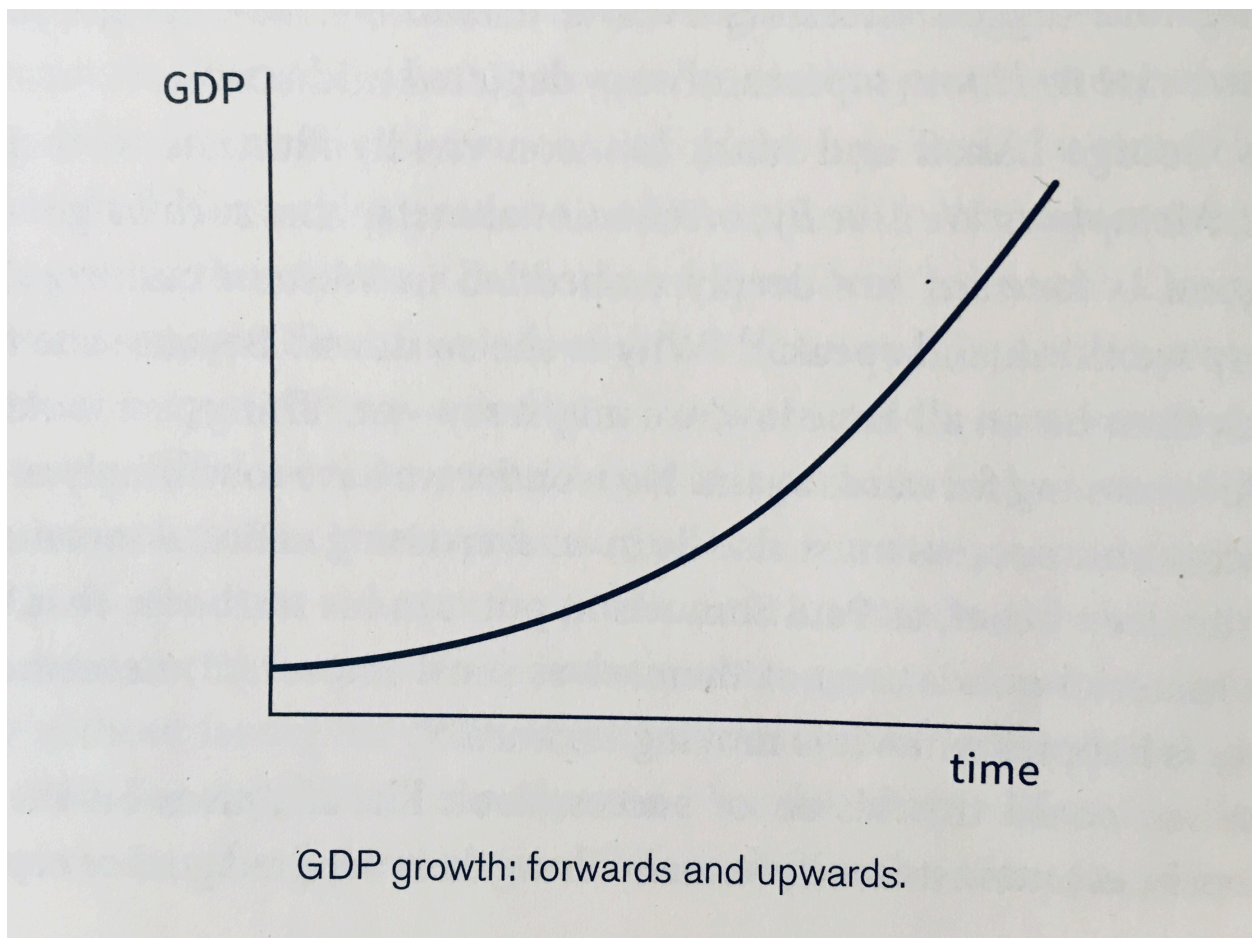


Kate Raworth, *Doughnut Economics: Seven Ways to Think Like a 21st Century Economist*
2017

Epigraph: “The most powerful tool in economics is not money, nor even algebra. It is a Pencil. Because with a pencil you can redraw the world.”

This is because diagrams and images etch themselves into our minds in such a way as to shape all the thinking we do.

This is how conventional economic theory was formed. This diagram of an exponential upward curve for GDP has influenced the field of economics to focus on economic growth as the one thing that matters and to think of it as a process that could continue indefinitely into the future (without taking into consideration how it might lead to the destruction of the world through environmental damage):

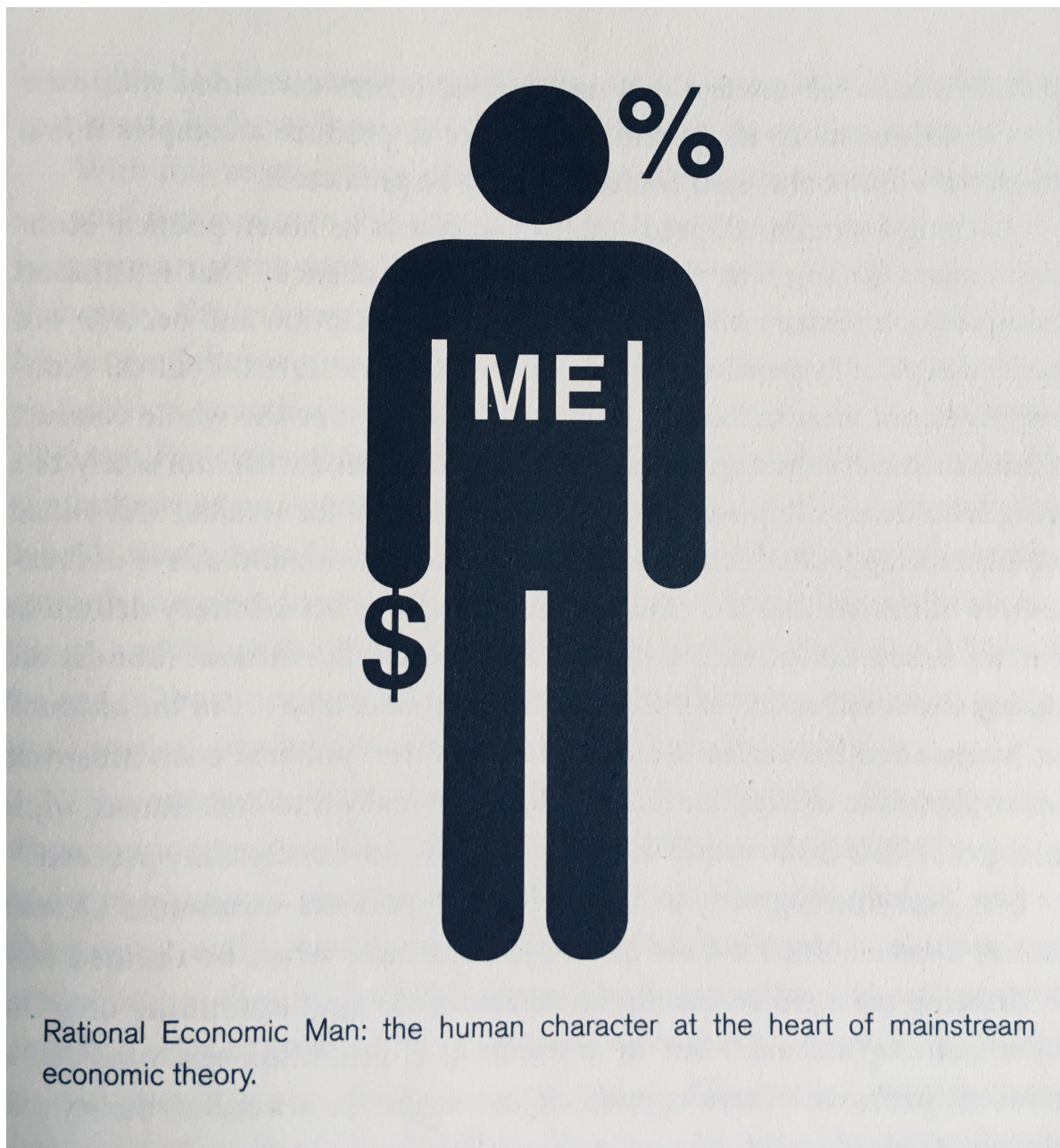


The aspiration of conventional economic theory has been for economic analysis as a mathematical discipline with scientific (and therefore certain) results.

To conceive this, one has to have a simple model of demand that can allow prediction with results that will be precisely calculated.

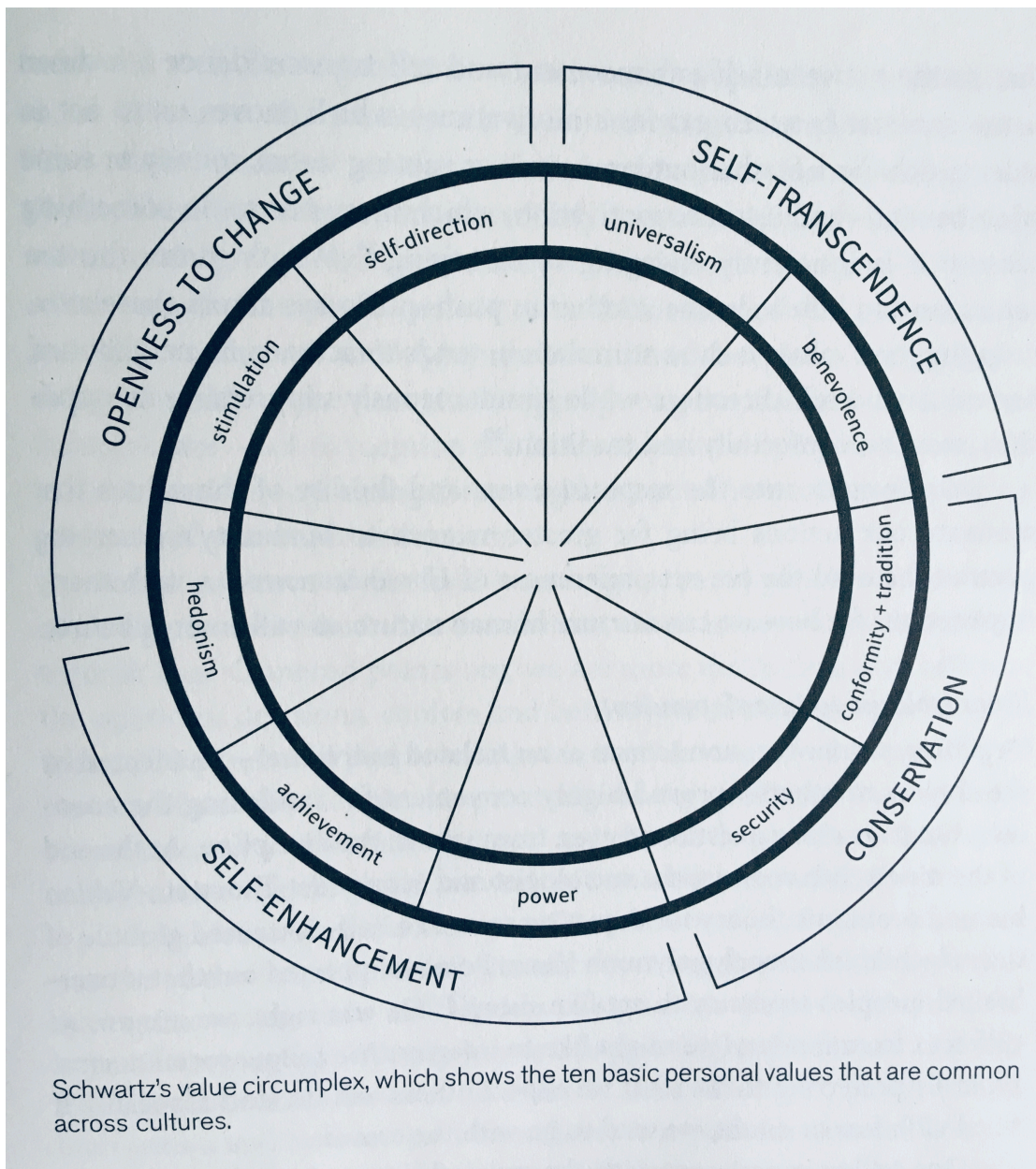
But the demand has to come from human beings, who in reality have a complex mixture of motivations which would mess up the calculation. The theoretical solution for the prevailing field of academic economics has been to assume that the only motivation that matters for an economy is that of what is called "Rational Economic Man," a figure who is completely centered on his individual personal monetary gain and who is continually calculating how that can best be served.

Here is Raworth's image of this figure:



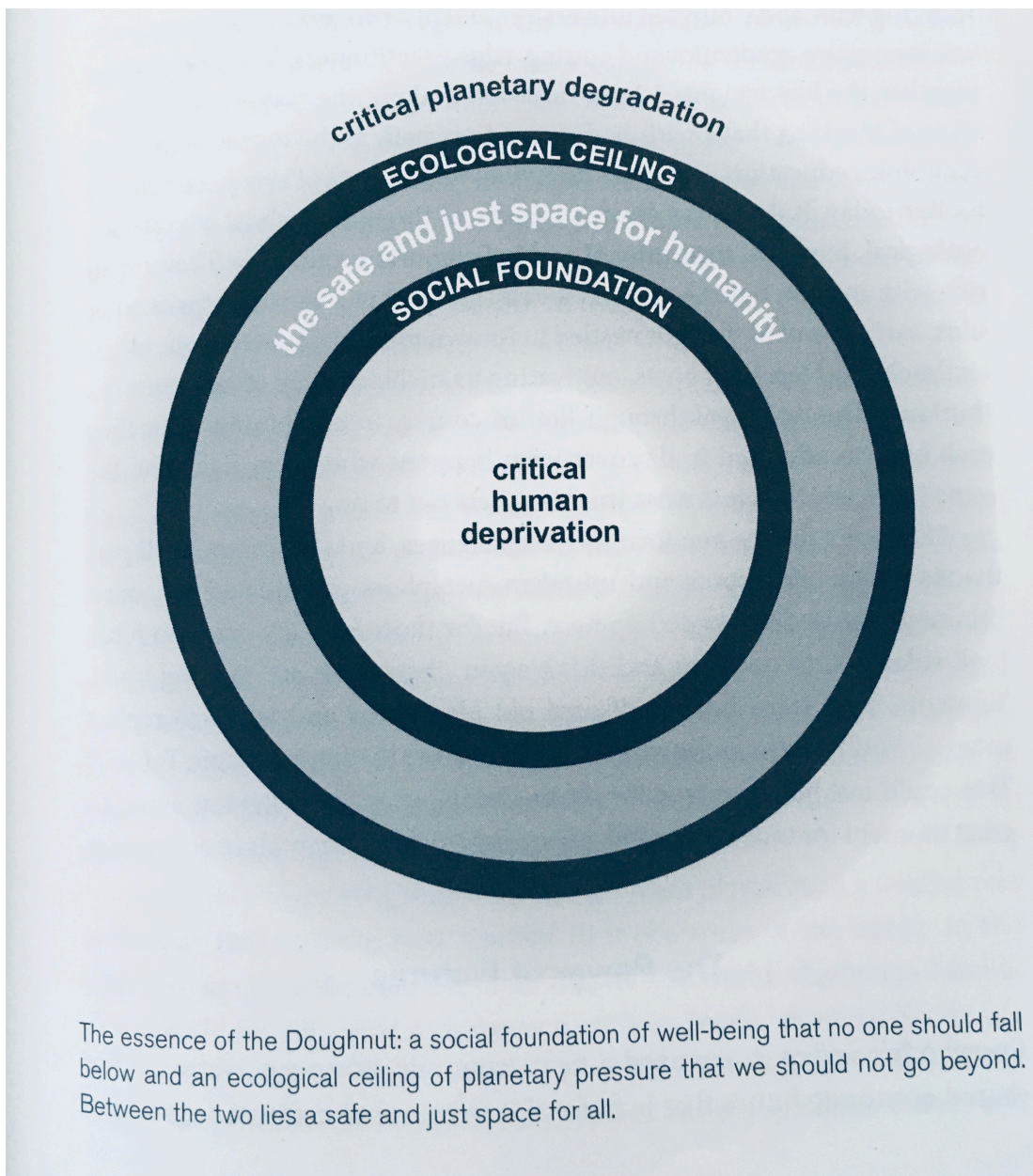
Below, in contrast, is what she suggests is a more adequate picture of the full range of human motivations. It is based on the research of the social psychologist Shalom Schwartz and his colleagues who surveyed people of all ages and backgrounds in over 80 countries. They found that there were 10 basic values held by every person, but in widely differing degrees that vary between cultures and individuals. And the relative importance or predominance of one or more of these values may vary within us not only over the course of a lifetime but also even several times within a day as we switch between social roles and contexts.

Looking at the story of Newland Archer in Edith Wharton's *The Age of Innocence*, for example, one sees him at the opening comfortably embedded in the upper-crust "Society" of 1870s New York with its conservative commitment to Schwartz's "conformity + tradition." Then as he becomes acquainted with other possibilities of life through his encounter with the Countess Olenska, he begins to find himself reluctantly drawn away from that toward a combination of Schwartz's "stimulation, self-direction, and universalism," perhaps with a touch of both hedonism and benevolence.

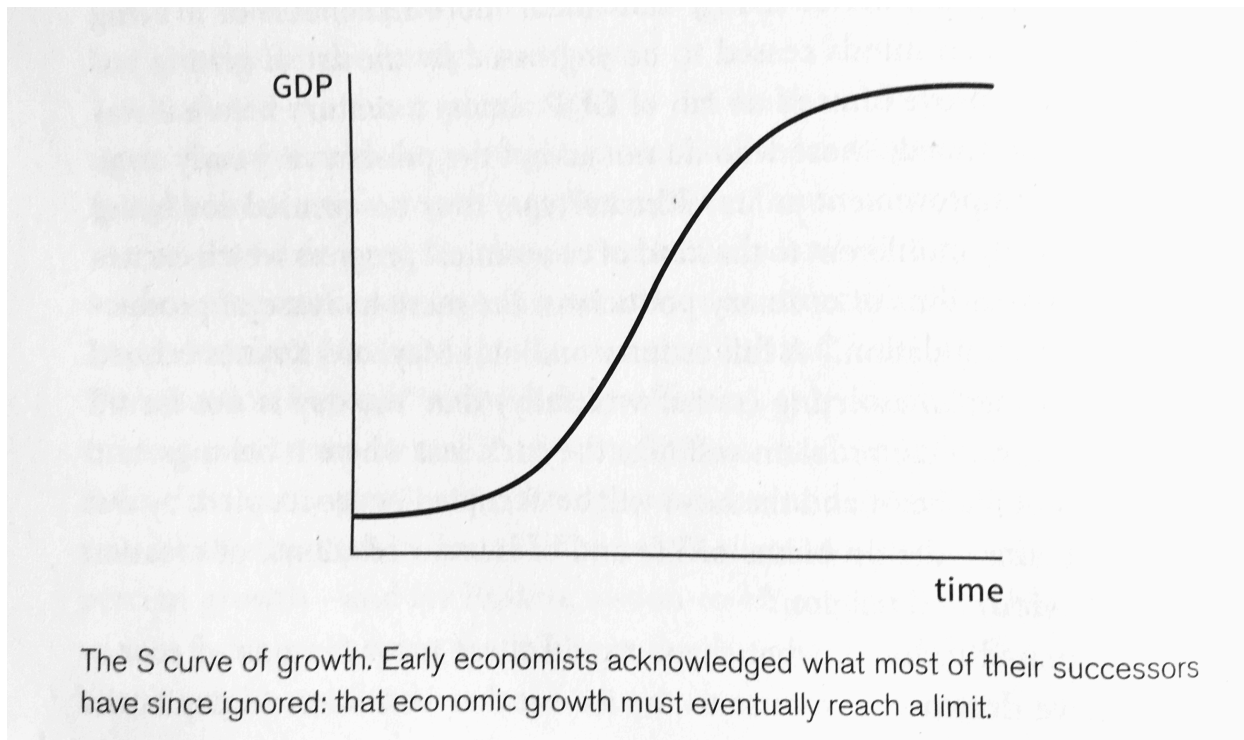


The simplest diagram of Raworth's "Doughnut Economics" sketches a new model to replace the growth curve. Its goal is not continuously bigger and better but a sustainable middle between excess and deprivation.

It assumes that the actors in the economy are not egocentric figures of unlimited appetite but social beings who would enjoy an environment in which other human beings would not suffer from serious lack, and in which the environment could be sustained for comfortable human habitation.

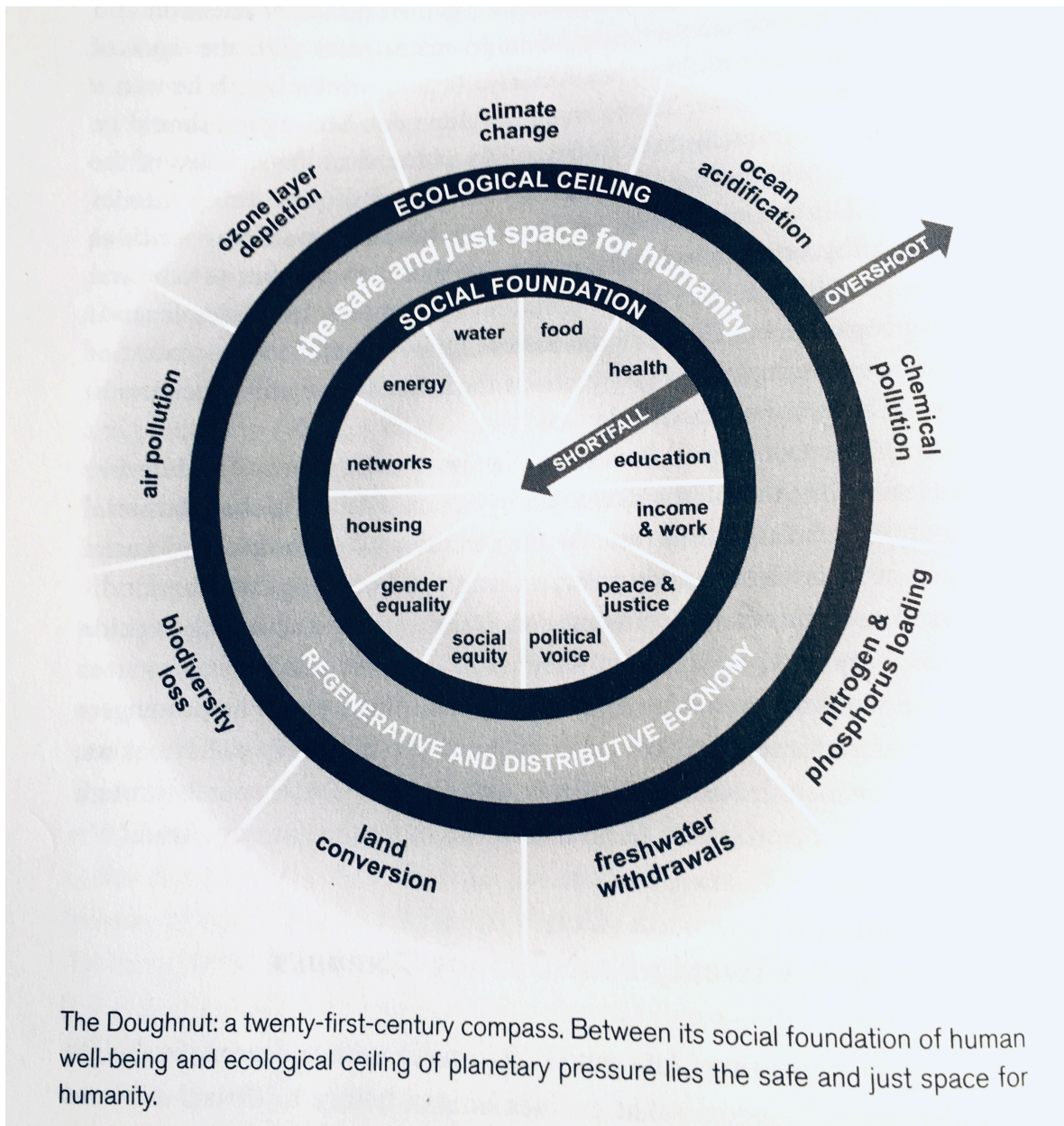


To achieve this would require a rethinking of the growth curve (which Raworth says early economists recognized as probably inevitable until their more recent successors came to think in terms of addiction to more and more:



The new aim would be to aim at a leveling off of growth that would sustain the habitable doughnut area.

The next image is a more complex version of the doughnut diagram in her book showing in the inner circle the various human goods we could fall short of with insufficient economic production and the environmental damage that could result from an excess of economic activity:



The actual building of a world that would be “the safe and just space for humanity” would require a more mature understanding of the common good than our current societies have and a more just, loving, and virtuous human being than most of us manage to be.

Raworth refers at one point to the book *Small is Beautiful*, by E. F. Schumacher, that I sometimes taught in my “The Nature of Religion and Its Study” course at UW as an example of a Buddhist approach to economics and politics. The major religions all have within them traditions of thinking and spiritual discipline that can serve as resources for aiming at the goal of becoming the kind of human beings who could want and work toward that “safe and just space for humanity.” And I think the only way it could ever really be achieved would be through inward *metanoia* and sustained spiritual practice.

Here, finally, is a more colorful and helpfully explicated version of that picture of the doughnut that appeared in a Time magazine article about how the city of Amsterdam is trying to implement it:

