

what is donut economics

what is donut economics is a revolutionary economic framework that seeks to address the pressing social and environmental challenges facing our world today. Developed by economist Kate Raworth, donut economics reimagines the model of economic growth by placing human well-being and ecological sustainability at its core. This approach diverges from traditional economic models that prioritize GDP growth and profit maximization, and instead emphasizes a balance between essential societal needs and planetary boundaries. This article will delve into the key principles of donut economics, its historical context, its practical applications, and its implications for future economic policies.

- Introduction to Donut Economics
- Historical Context of Donut Economics
- Core Principles of Donut Economics
- Donut Economics in Practice
- Implications for Future Economic Policies
- Conclusion

Historical Context of Donut Economics

To understand what donut economics entails, it is essential to explore its historical context. Traditional economic models have been primarily focused on the maximization of output and profit, often at the expense of environmental sustainability and social equity. The rise of globalization and neoliberal economic policies in the late 20th century further entrenched these principles, leading to increased inequality and environmental degradation.

The late 20th and early 21st centuries witnessed growing awareness of climate change, resource depletion, and social injustices. These global challenges prompted economists, policymakers, and activists to seek alternative frameworks that could address the shortcomings of conventional economic theories. In this environment, Kate Raworth introduced donut economics as a viable solution, advocating for a new paradigm that prioritizes human and ecological well-being over relentless growth.

Core Principles of Donut Economics

Donut economics is built upon several key principles that redefine our understanding of economic

success. The model is represented visually as a donut shape, where the inner circle represents the social foundation necessary for human well-being, and the outer circle signifies the ecological ceiling that must not be exceeded to maintain planetary health.

The Social Foundation

The inner circle of the donut illustrates the minimum standards of living that must be achieved for all individuals. This includes access to essentials such as:

- Food
- Water
- Healthcare
- Education
- Housing
- Income
- Political voice

By ensuring that everyone can meet these fundamental needs, societies can foster equity and inclusivity, which are crucial for social stability and progress.

The Ecological Ceiling

The outer circle of the donut represents the ecological limits of our planet. This encompasses critical planetary boundaries, including:

- Climate change
- Biodiversity loss
- Ocean acidification
- Land use change
- Pollution

Exceeding these boundaries can lead to irreversible damage to the planet, threatening the very systems that support life. Donut economics advocates for development that remains within these ecological limits while ensuring that all individuals can thrive.

Donut Economics in Practice

Implementing donut economics requires a fundamental shift in how we approach policies and economic practices. Various cities and organizations around the world have begun adopting this framework to reshape their economic strategies.

Examples of Implementation

Several pioneering cities have embraced the principles of donut economics:

- **Amsterdam:** In 2020, Amsterdam became the first city to adopt donut economics as a guiding principle for its policy-making. The city aims to ensure that all residents can meet their basic needs while remaining within planetary boundaries.
- **Barcelona:** Barcelona is exploring donut economics to address urban inequalities and create more sustainable living conditions through community-driven initiatives.
- **New Zealand:** The New Zealand government has incorporated aspects of donut economics into its well-being budget, focusing on broader measures of success beyond GDP.

These examples illustrate how donut economics can be operationalized to foster more resilient and equitable communities. The approach encourages collaboration among stakeholders, including governments, businesses, and civil society, to create inclusive economic systems that prioritize well-being.

Implications for Future Economic Policies

As the world grapples with interconnected crises such as climate change and inequality, donut economics offers valuable insights for future economic policies. By prioritizing human and ecological well-being, policymakers can create a more sustainable and just economic system.

Challenges and Opportunities

While the transition to donut economics presents challenges, it also opens up opportunities for

innovation and systemic change. Key considerations include:

- **Reimagining Growth:** Moving away from traditional growth metrics towards holistic measures of well-being and sustainability.
- **Engaging Communities:** Involving local communities in decision-making processes to ensure that policies reflect their needs and values.
- **Investing in Green Technologies:** Promoting technologies and practices that reduce environmental impact and enhance quality of life.

By addressing these challenges, societies can work towards a more sustainable and equitable future, aligning economic activities with the principles of donut economics.

Conclusion

Donut economics provides a transformative framework for rethinking our economic systems in light of pressing global challenges. By recognizing the interdependence of social foundations and ecological ceilings, this approach calls for a balanced and inclusive model of development. As more cities and organizations adopt the principles of donut economics, the potential for creating a more sustainable and equitable world becomes increasingly attainable.

Q: What is donut economics?

A: Donut economics is a framework developed by Kate Raworth that seeks to balance essential human needs with the ecological limits of our planet. It emphasizes that economic success should not solely be measured by GDP but by how well a society meets the needs of its people while staying within environmental boundaries.

Q: Who developed the concept of donut economics?

A: The concept of donut economics was developed by economist Kate Raworth, who introduced it in her book "Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist."

Q: How does donut economics differ from traditional economic models?

A: Unlike traditional economic models that prioritize GDP growth and profit maximization, donut economics focuses on achieving social equity and ecological sustainability. It promotes a balance between meeting human needs and respecting planetary boundaries.

Q: What role do cities play in implementing donut economics?

A: Cities are increasingly adopting donut economics to guide their policies and practices. They serve as testing grounds for innovative solutions that prioritize well-being and sustainability, addressing local challenges through community engagement and collaboration.

Q: Can donut economics be applied at a national level?

A: Yes, donut economics can be applied at a national level. Countries like New Zealand have begun integrating its principles into their budgets and policy frameworks, focusing on well-being and sustainability rather than solely on economic growth.

Q: What are the key components of the donut model?

A: The key components of the donut model are the social foundation, which represents the essential needs for human well-being, and the ecological ceiling, which signifies the environmental limits that must not be exceeded to maintain planetary health.

Q: What challenges does donut economics face?

A: Donut economics faces challenges such as entrenched traditional economic mindsets, the need for systemic change across sectors, and the complexities of measuring well-being and sustainability effectively.

Q: How can businesses adopt donut economics principles?

A: Businesses can adopt donut economics principles by prioritizing social and environmental responsibility, engaging in sustainable practices, and aligning their operations with the well-being of communities and the planet.

Q: What is the future of donut economics?

A: The future of donut economics looks promising as more organizations and cities recognize the need for sustainable and equitable economic systems. The framework's growing acceptance may lead to broader systemic changes in global economic practices.

[What Is Donut Economics](#)

What Is Donut Economics

Related Articles

- [what is research in economics](#)
- [what is stagnation in economics](#)
- [who made economics](#)

[Back to Home](#)