

All Ears with Abigail Disney
Season 4 Episode 6: Kate Raworth
The Best Doughnuts Are Conceptual
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ABIGAIL DISNEY:

Hi. It's nice to meet you.

KATE RAWORTH:

It's lovely to meet you.

ABIGAIL DISNEY:

I am a great big fan, I'll tell you that. Your book came along at just the right time for me when I was full of despair.

KATE RAWORTH:

Aye, aye, aye.

ABIGAIL DISNEY:

Okay, we'll get started. I have many questions.

KATE RAWORTH:

And let me double check - so this is just audio, it's not video?

ABIGAIL DISNEY:

Just audio.

KATE RAWORTH:

I get quite animated sometimes, but I shall try not to hit the table.

ABIGAIL DISNEY:

I've made many a person hit the desk over the years.

Hi all, I'm Abigail Disney and welcome to All Ears. In recent months, I've been on the road with my new documentary, *The American Dream and Other Fairy Tales*. In the film, I tell the stories of some Disney workers to show how the American Dream has become a nightmare for so many. Of course, the problem is not just with Disney. Today, nearly half of all American workers are struggling to make ends meet. That's why in this season of All Ears, I'll be taking a deep dive into some of the big questions raised in the film with folks who are doing the most Disney thing possible, using their imaginations, in this case to rethink modern American capitalism, because if we don't reimagine how it all works, and fix it, we're going to be in big trouble.

I'm gonna read a little intro, and then we'll jump into it. Is that okay with you?

KATE RAWORTH:

Yes.

ABIGAIL DISNEY:

Okay, here we go!

We all know that visual metaphors are great for getting your point across. But, when they are overly simplistic, they can act like junk food for your brain: empty calories, easy, addictive, but probably not so good for your thought process. Take the classic notion of 'climbing the ladder of success' or the very confusing 'pulling yourself up by your own bootstraps.'

In *The American Dream and Other Fairy Tales*, I talked about how these sorts of metaphors can keep us from thinking outside of the box - another metaphor that's kind of stupid. Who thinks in a box?

So, you can only imagine how thrilled I was a couple of years ago when I picked up a book full of smart new metaphors called *Doughnut Economics: Seven Ways to Think Like a 21st Century Economist*, and today I get a chance to talk to its author, the brilliant economist, Kate Raworth.

Kate has been reimagining capitalism using a visual of the ultimate junk food, a doughnut, but in ways that may in fact be healthy for our brains.

Her model imagines a sustainable economy, one that balances human needs as well as planetary needs with the needs of a healthy market. Yes, folks, I'm saying that thinking about our economy as a metaphorical doughnut might be just what we need.

Kate Raworth is a senior associate at Oxford's Environmental Change Institute and a Professor of Practice at Amsterdam University of Applied Sciences. She also runs the Doughnut Economics Action Lab. Kate, thanks for joining me!

KATE RAWORTH:

Oh, big pleasure. A big pleasure. I love your focus on metaphors. That's exactly where I begin and I think it's so important to notice them and reframe them.

ABIGAIL DISNEY:

Yeah, you have a little bit of a section about the way the brain is wired for metaphors.

KATE RAWORTH:

Well, it's fascinating because when we humans try to understand the world, we can't

understand the whole thing because it's so complex and extraordinary. So, we turn it into things that we understand and we use metaphors in our language all the time. And when you realize that you just spot them all the time.

And so some of the, like one of the deepest metaphors, let's go straight to the point, is growth, right? We think the idea of growth is, you know, cause we love our children to grow, we love our flowers in the garden to grow. And, the depiction of growth as always moving forwards and up as if that therefore becomes not only the metaphor, but in fact the definition of progress.

And so when our metaphors - they're really useful for understanding some things, but when we take them beyond what they should be used for, they start to drive us and really mislead us, and we have to spot them and let go of them and find new ones like, yes, like a doughnut.

ABIGAIL DISNEY:

Yes. So tell me about the doughnut. What on earth do you mean by a doughnut?

I mean, physicists love it. They call it a solid torus. Describe for me how you arrived at a doughnut.

KATE RAWORTH:

Yeah. So I decided not to call it toric economics because I thought, "That really won't catch on."

So, but if I say to anybody, you know, "Think of a doughnut, the kind with a hole in the middle." Well, we all know exactly what I'm talking about; that shape is there. So the doughnut in this Doughnut Economics is like a compass for 21st century prosperity.

And the goal is: leave no one in the hole. Leave no one falling short on the essentials of life. So, leave nobody without health, education, housing, income, political voice, transport, connectivity, community. These we know every person needs for a life of dignity and community and opportunity. So, leave no one in the hole of the doughnut.

And, you could say a lot of the story of the 20th century was building economies and growing economies so that no one was left in the hole. But, we're not in the 20th century anymore.

We now know that as we use Earth's resources to meet these essential needs, we cut forests, we take the fish from the sea, we emit carbon emissions in the atmosphere. We pollute the land and the air. We start to put so much pressure on the life-supporting systems of our planetary home, that we risk kicking her out of balance.

And so, if the inside of the doughnut is the minimum needs of every human being, and let's call 'em human rights, then the outside of the doughnut, that outer crust, is where we overshoot our pressure on our planetary home and start to kick her out of balance: we cause climate breakdown, we acidify the oceans, we create a hole in the ozone layer, we unravel the fabric of the web of life. And these are known as planetary boundaries, the protection limits on our planetary home.

So in the simplest of terms, leave no one in the hole, don't overshoot earth's limits. We need to learn to thrive in the space between the two. And that is what it means to live in the doughnut.

ABIGAIL DISNEY:

I love that. And I could live in a doughnut anyway.

KATE RAWORTH:

Well, this is the only one that's any good for us, of course, because it's conceptual. Because you don't actually have to eat them. The best ones are conceptual.

ABIGAIL DISNEY:

Yes. Well, no, I think the best ones are Krispy Kreme, but that's just me.

So, in terms of a classic economics education, this is quite different from what you were weaned on, yeah?

KATE RAWORTH:

For sure.

ABIGAIL DISNEY:

Tell me about how different.

KATE RAWORTH:

So, I was trained at the University of Oxford 30 years ago. Like many, many students, I came along to learn the mother tongue of public policy, and I cared about social issues, I cared about environmental issues. As a teenager of the 1980s, I saw a famine in Ethiopia, a hole in the ozone layer, Exxon Valdez spilling oil into Alaska's sound.

I wanted to study economics so I would have the tools to tackle things like these. And once I learned, you know, scabbled around learning the basics, I gradually realized that the issues I cared most about were peripheral. They were on the margins. They were really poorly treated. They were add-ons, nice-to-haves, options on the side if you want. And so I became really frustrated with economics.

Let me just give one example. Let's go back to the 1980s. If we were to talk about acid rain, an economist would say, "yes, yes, acid rain, that's an environmental externality."

And an externality in economics is something that falls outside of a market contract. So there's a buyer and a seller, and they're each deciding how much it's worth to pay or produce, and other people may be impacted. So, the buyer and the seller producing a factory to turn out cars. Well, the pollution from the factory might create acid rain that falls on forests and kills them, and that's an external to their deal, to their trade and to the price. So it gets called, by economists, an environmental externality.

Just take that. I mean, it's not just acid rain, it's climate breakdown, it's ecological breakdown, it's the sixth mass extinction, it's air and soil pollution. And economists say, "Yes, yes. These are environmental externalities."

ABIGAIL DISNEY:

Why does labeling something in externality give you sort of license to pretend it doesn't exist?

KATE RAWORTH:

So economists use the word externality and say, "But we *care* about these things. We *know* that they're environmental externalities."

And if I step back and say, "Okay, just think about the framing of that. Oh, it's an externality." So, already just the word is telling me it's peripheral. It's not at the center of my vision, it's something on the outside. And just the model that that places is that the really crucial thing is at the center of our vision, and then there's some bad things happening around the edge.

I mean, the externality of climate change, this is the major story of the century. And if we call it an externality, we are pushing it to the margins, verbally, with the use of that word.

And that's why the doughnut says, "No, no, no, no, no. Not gonna use that word. We're gonna start, 'Bang!, these are our values.'"

Most economic models do not show that the economy is embedded in and dependent upon the living world. They just start with the flow of money going round and round and the goods and labor going round and round. So, we need to start with ecological economics that says, "The economy is a human construct, it's part of society, and we are part of the living world, and so everything that we do has to be compatible with producing conditions conducive to the continuation of life." There's nothing external about that. It's the heart and it's foundational.

ABIGAIL DISNEY:

Right, right. It's remarkable and ironic to recognize that the fundamentalist version of the markets that we were taught in the seventies and eighties, was that, "Well, the problem will just create a market, and then there will be somebody who, for profit reasons, will want to solve the problem." So, if it's acid rain, somebody's gonna come up with a profit-based way to address acid rain. And the same thing will happen with smog.

And, again and again we've missed our opportunity to change things in a way that was deeply irrational because of our emphasis on hyper-rational understandings of the way the world works.

KATE RAWORTH:

Right, and markets are incredibly powerful. Adam Smith was right, right? Adam Smith saw the market mechanism, a very powerful mechanism for bringing together the interest of millions of buyers and millions of sellers who never need connect or talk or meet, they can just transmit information through the price mechanism. He was right. There was something powerful there.

ABIGAIL DISNEY:

It's very, it's magic. It's a lot like magic.

KATE RAWORTH:

It seems a lot like magic, but there's a couple of caveats.

Markets only serve those who can pay, the rest they ignore. And they only value what's priced, the rest they exploit. And so, those are pretty big caveats.

And, so we need other forms of organizing. And again, in *Doughnut Economics*, I show the economy is made up not just of the market and the state, which end up in a, particularly I think in the U.S., a very ideological boxing match: "Are you a free market, laissez-faire capitalist or are you a state-loving socialist?" Right? "Which one are you?"

Well, we need them both, right? They do different things really well, but that's only just half the story. We have the commons, the common resources on which we all depend: clean air, a stable climate. And there ain't no market that's gonna protect those, so we need to organize in other ways.

ABIGAIL DISNEY:

Yeah, the words 'the tragedy of the commons,' of all the things that are laden with values in the way economics are taught, the idea that the commons is treated as, you know, a tragedy waiting to happen, just right there in economics 101 makes my heart so sad.

KATE RAWORTH:

And you know what? The commons can be a triumph.

So this, again, we're back to metaphors and framings. When we frame the economy around markets, and ask any economics student, and I ask them often, worldwide, what's the first diagram you learn, you remember learning? It's always supply and demand, right?

So, we come to economics, and on day one, we learn supply and demand of the market. So bang, at the center of your vision is the market. And that means that we are focusing on price. So, suddenly, money is the metric of concern. It didn't have to be that way, but it becomes that way. And so, anything that falls outside the price contract is an externality.

And then we end up saying, "Well, you know, if prices are the metric, what does success look like? Well, selling more things and creating more value, that shows up as priced value." And so we end up with an economy whose success depends upon growing the value bought and sold. So, that's growing national income or GDP, gross domestic product. And we end up focused on growth before we've even realized we haven't asked ourselves, "Is this really the goal we want to pursue?"

And again, I asked students, the world over, do you recall, in any time in your economics education, having a lecture or a lesson or a question or even a slide saying, "What if endless economic growth isn't coming? What if it's not possible? What if it's not desirable? What then, and what would we do?"

And almost every student says, "We never talked about that. It's not a question." So the metaphor is so powerful, so all consuming, we don't even realize it's there and we don't question it. And, of course, this is a disastrous way to begin the 21st century.

ABIGAIL DISNEY:

Right, absolutely, and it's a disastrous way to be training people to confront the problems of the 21st century. When was it for you that you realized that what was being called in externality was actually an ontological challenge, and that there were serious shortcomings in the way the world was being understood? I mean, how did you have the clarity and maybe I think also the courage to start to question that?

KATE RAWORTH:

So I didn't have it at the time. I hadn't studied economics before I got to university, whereas many of the students around me had, so I had that thing of - "Oh, catch up, catch up, catch up. Just learn it, learn it, learn it."

ABIGAIL DISNEY:

Imposter Syndrome.

KATE RAWORTH:

Yep, and I was really frustrated that this was how environmental issues were talked about, but I had no idea that there was an alternative.

Nobody ever indicated “Oh, there's another field called ecological economics, which actually puts the health of the planet first.” I had no idea it existed.

I studied, as a master's degree, development economics, which made a lot more sense. And we began with an essay question of, “What is human development and how should we measure it?” And I would say, in a way, the rest of my career is me trying to answer that first essay question, because my professor put at the center of my vision, “What is the goal? What is success?”

But it was back in those days, in the early 1990s, development economics made almost no mention at all of the environment and of the living world, and I thought, “I don't feel proud to be an economist. I don't feel good sticking my hand out and saying ‘Hello, I'm an economist.’” So, I walked away from academic economics and I immersed myself in the real world economy.

I worked three years in Zanzibar with micro-entrepreneurs in the villages. I worked four years at the United Nations on the Human Development Report, so part of this reframing: “Not economic development, but human development.”

I came back to the UK, moved to the city of Oxford to work for Oxfam, and worked there for 11 years on labor rights and global supply chains, on climate change. And what we were always doing there was trying to make social and environmental issues visible in the language of economics. And that was frustrating. Begging it to be visible: “Can we put a price on it? Can we give a shadow price to it? Can we show it's worth something? Can we show it'll hurt GDP if we don't protect the living world?” And I was frustrated by that.

I became a mother. I went on maternity leave. I had twins, so I was immersed in the care economy. And then there was a global financial crash. And I remember sitting there, nursing my two babies and the whole global financial system's crashing, and the economists come on the radio and the Queen of England said, asked, you know, “Why did the economists not see this coming?”

And all the economists of England scrambled for answers for the Queen, and they didn't have a good answer, but they said, “Oh, we didn't, we didn't fully bring into our theories

the real world of how banks actually work, how money is actually created, and the interdependence and the vulnerability between banks. And we must rewrite economics to make it reflect financial realities.”

And I sat there with my babies and I thought, “Well, I’ll be damned if we’re only gonna rewrite economics for that.” And when I came back to work, I drew the doughnut and when people began responding really strongly to it, I realized, “This is the beginnings of a 21st century economics, where we begin with our planetary home, and protecting her life-support systems, and we begin with the rights and needs of every person alive. And we put that first, not markets and money. We put human rights and ecological integrity of our living home first.” And that’s the doughnut.

And then we ask, “Okay, we’re gonna kind of flip it on its head.” And that’s when I really started coming back towards economics, it was only then.

I mean, literally, I’m a mother, I’m decades away from my training. And it was then that I went back and realized the power of pictures because the doughnut was having such an impact.

I was amazed how many people were empowered by it and excited by it and writing to me and not just economists, actually far less economists. It was architects and high school teachers and doctors and designers and politicians and city counselors. And that’s when you know you’ve tapped into paradigm change, because you’re talking to people from so many different fields.

And so I thought, “Okay, this is the time to rewrite economics with pictures. If pictures are powerful, what are the pictures I was taught when I was a student?”

And then I went back to my old textbooks and started looking at the pictures and the metaphors that they hold and that’s when the scales really fell from my eyes. And I, instead of being frustrated and walking away, I was like, “Damn, I can now see what I was taught and the framing limits of it. I am so excited about saying, ‘Let’s make that visible so we can see that. And now, what if we replace the old with a new proposition, a new diagram, a new metaphor.’”

ABIGAIL DISNEY:

You know, I’m concerned very much with business and how business operates because economics and business are interconnected and interrelated to each other, and yet I’ve never seen a business plan that put to the front of the calculations what it would cost to make sure everybody’s paid well enough. And that’s what bonuses are about, right? It’s like, “After we’ve done everything, and after we’ve divided everything up and after, after,

we've got a little left over here, then we can sprinkle this out," as though human dignity isn't necessary, or an integral part of your process.

And I think when you were coming through the economics program, Milton Friedman was running rampant, Margaret Thatcher thinks there's no such thing as society, and what they were doing was they were saying, "Look, greed is natural. It's human. It's what made things happen, and so let's put greed into action. Let's make it be a force for good."

I do think that there were people who meant that, who thought that greed would be good because it would expand prosperity. But I do wonder, is anyone even trying or talking about taking this kind of normalized, unchecked, greed, back out of the equation? Not that it was ever perfect before, but how do we correct for this?

KATE RAWORTH:

To the heart of the matter, I like it.

So, I'm gonna start by thinking about what students are taught about humanity when they study economics.

Who are we? Is greed our deepest inner self? Is that who we ultimately are?

And, that is certainly what we're taught when we study economics, because at the heart of economic theory is a character called 'Rational Economic Man'.

And I drew a little picture of him, actually, because he doesn't get a drawing or a portrait in the textbooks. They write him in lots of equations.

But if you take the equations and say, "Actually, what would these equations look like?" It would look like a man standing all on his own, totally independent with no dependents, no carers, no society around. He's independent. He's on his own. He's got money in his hand. He's got ego in his heart. He's got a calculator in his head, and he's got nature at his feet. He hates work. He loves luxury, and he knows the price of everything.

Now, these are the traits literally written in the equations to describe 'Rational Economic Man,' who is the little atomic creature at the heart of economic models. There's an incredible history of how he got created and I'll just give one moment from it, which I think is the critical one.

John Stuart Mill, who was an amazing philosopher, in 1844, at the foundation of creating political economy, when it's split away from philosophy, Mill said, "Political economy does not treat the whole of man's nature nor the whole of his conduct in society. It sees him as a being who desires to possess wealth." And he goes on, he says, "Well, I mean,

you know, of course this isn't who we actually are, but this is just a model and people will understand." Well, John, they didn't understand. They took that quite literally, and it was a very convenient way to reduce humanity.

Adam Smith had a far richer notion of humanity. He wrote a book called *The Theory of Moral Sentiments*, which *really* understood. He said, "Our self-interest may be valuable in markets, but it's our generosity, our sense of justice, our public spirit that is valuable to society." So Smith had a very nuanced picture.

You can't really model and create a set of equations around such a nuanced creature. So Mill stripped it down, said, "Look, somebody who wants to possess wealth, there we are." He implanted "Well, obviously it's about the greedy bit of us. That's what economics is about."

And then other economists came along, said, "Hmm, he also needs to have insatiable wants. He needs to have perfect information. He knows the price of tomatoes and everything in the past and the future, present, everywhere, so he can make perfect trades." And they create this caricature so that it can fit really nicely into the models.

Now, that's one thing enough already that's absurd, to create this really extreme caricature of humanity. The real problem is what being told about him does to us. And an economist called Robert Frank did some fascinating research. He found out that over time, the more that students are taught about 'Rational Economic Man' and these traits, the more that they say they value competition and competitiveness and self-interest over altruism and collaboration.

So the model changes us: who we tell ourselves we are shapes who we become. So that thing of being greedy, it makes us think, "Oh, well I don't always feel like this, but apparently the model says we are ultimately greedy. I really don't wanna be the idiot who's sharing stuff when everybody else is snatching and taking."

So, if we believe other people are gonna be selfish and greedy as we step into a room, well, we'll be selfish and greedy, too. So the models we make and who we tell ourselves we are massively shapes how we'll behave.

I'll give you one more example on this. A wonderful study was done issuing a survey to a lot of people. 50% of people got a survey, on the front it said, "Consumer Reaction Study. Please answer these questions: I like this, I don't like this. I prefer, da, da, da da." And on the other one, the only difference is it said, "Citizen Reaction Study. Please answer these questions." The same questions.

The same questions and they answered them differently because of how they were called.

“Please come here as a consumer.” “Oh, you want me to bring my consumer? I will be tough in negotiating and bargaining.” “Please come here as a citizen.” “Oh, I’ll bring those things Adam Smith talked about. I’ll think about justice and equity.”

This goes back into are we consumers, clients? When we go to healthcare or education or when we meet each other in society, are we consumers or are we actually citizens and family members and neighbors and community members? These words change who we show up as.

So, that’s why I called one of the chapters of my book, “Nurture Human Nature.” As David Hume, the philosopher, said, “We have in each of us something of the serpent and something of the dove.” We can be both.

And I tell you, raising twins, they’re now 14 years old, I’ve seen that competition, right? The collaboration, the competition, it’s part of all of us, and it can be healthy, but we have a huge capacity to collaborate. We are altruistic, we are compassionate, we have solidarity. We need each other. We survive and cope best when we collaborate in groups. So we need to put that at the heart of our economics, not this assumption of greed.

ABIGAIL DISNEY:

And so, over and over again, what you keep bringing us back to is the assertion that there’s a higher purpose or a higher calling, or a higher meaning, or something more than simply rational about economic activity. And to suggest that is deeply radical, right? I mean, it’s very radical.

What is the pushback like for you? You must be getting pushback.

KATE RAWORTH:

So economics comes from two ancient Greek words, “oikos” (eco) and “nomos”. “Oikos” (eco) means the household and “nomos” means the norms, the culture, the values, the art of management.

And the first economist and the first person to write a little booklet called *The Economist* was a man called Xenophon in Ancient Greece. And he wrote it about a single household, and, “How should you manage your household? Should you let your wife do the accounts? Can you trust her? Can you trust the slaves? How do you manage them? All the wine and the cloth and the corn?” You know, and this is what he wrote about.

Well, if we take economics as the art of household management and say, “Okay, Xenophon was writing about a single estate and at the end of his life he wrote about the city-state. And then along came Adam Smith, thousands of years later, and wrote about the nation-state, *The Wealth of Nations*. And here we are 250 years after him, we need to go up to the next scale. It's the planetary household.”

That's the household, right? It's quite clear we are in the anthropocene. We understand, we have seen earth from space, it's one household.

So if economics is the art of household management, well first let's understand our household. It's this unique, delicately balanced living planet. Let's understand her inhabitants and in whose interests are we managing her? So, you say it's radical and yes, it's radically different from now. But I like to say, well, it's actually, utterly, um -

ABIGAIL DISNEY:

Rational.

KATE RAWORTH:

Rational, ontological. Yeah. It's rational and true to the meaning of the word economics. It's just the economics of our time.

So, I get pushback. Yeah, the pushback is from economists who I've sat down with. They, if I sit and say, “Well, here's the doughnut and this is the goal.” They say, “Ah, you see, you're being political now. You see, you've strayed from positive economics,” which Fridman loved, which, you know, positive not meaning good, it means value free.

“It's a science. There's no values here. Not normative. No, no, no. This is positive. No values. We're very clear and rational.”

And when I bring the doughnut, “Ah, but this is all very values-based, isn't it, dear?” Tap on the shoulder. “Yes, dear. Yes, dear.”

I said, “Well, hang on a minute. Do you think that starting economics with no explicit statement of what your aim is, do you think that starting economics with ‘Welcome to economics, here is the market.’ Do you think that's value free? You think there's no values implicit in starting 101 with the market and talking about prices and putting business and companies and company and profit maximization and the assumption that we are greedy? You think there's no values there? You think you're being completely factual? Wake up and realize that there is framing and values in everything that we say.”

So, at least I'm explicit about it. And I say, “If you don't agree that we should meet the human rights of all people, which bit of that do you want to disagree with? And if you

don't think we should live within the life-supporting systems of the only known living planet in the universe, which bit of that do you want to disagree with? Which of these things are you willing to throw away?"

That's my response to the pushback. I have to say again, there's pushback that comes from some academics who are very, well, for decades have worked within this training and have mastered it and have become experts at it.

But that is not what I hear back from students who today, in the 2020s, are going to university and actually taking on a huge amount of debt to study economics because they want the tools of the mother tongue of public policy to transform the world and shape the future that they know is their generation's.

They will be the policymakers and the journalists and the judges and the MPs and the presidents and the CEOs and the designers of 2050 and beyond. So, they know they need a mindset that's fit for these times and they embrace it and they desperately want it to be taught as mainstream part of the education.

In fact, one thing that does upset me is when I get an email from a young person who says, "I read *Doughnut Economics*. I love the book, and so I'm going to university to study economics." And I think, "Ah, but that's not what you're gonna be taught. You're gonna arrive and realize the first thing you have to do is rewrite the curriculum."

ABIGAIL DISNEY:

And there are students who were talking about rewriting that curriculum, aren't there? And I've read about students walking off of campuses and asking for different syllabi. Do you know anything about that?

KATE RAWORTH:

Oh, absolutely. I am so inspired by them. In fact, as I began my book talking about one of these students, a young woman called Yuan Yang back in 2014 who, like me, had, was disillusioned with economics.

Different to my generation, they had the internet. And so instead of thinking, "Well, maybe there's just something wrong with me and I don't get it because this doesn't make sense to me," they found each other online and said, "Hey, there are a whole generation of us who are actually really frustrated because we didn't understand anything about the financial crisis. It wasn't in the curriculum, and we just completely don't understand the biggest economic event of decades. And it's not doing justice to planetary breakdown, and social inequality."

ABIGAIL DISNEY:

You just described the quintessential difference between centralized and distributed systems, in this case in terms of knowledge, right?

KATE RAWORTH:

Yes, exactly. The internet brought them together.

ABIGAIL DISNEY:

Don't you wonder who you would've been if you'd had the internet when you were 20-something? Oh my gosh.

KATE RAWORTH:

Yeah. And so they came together and they created an incredible movement internationally called Rethinking Economics. I mean, there are different movements, but this is one of the main ones.

And so, there are student chapters in universities around the world, and indeed there are academics who are part of Rethinking Economics, as well, who've gone into economics, but are really frustrated by the curriculum they have to teach and they know they want to teach more to their students. But, you know, there's such inertia around rewriting the curriculum.

The textbook is just called "Economics". It's not called "Neoclassical Economics," it's just called "Economics." And, if no one tells you, you don't know there is another kind. You don't know there's feminist economics or ecological economics. You don't know there's complexity economics or institutional economics or Keynesian economics.

So, there's a wonderful website called Exploring Economics and it's made by students and you click on it and it just has, it says, "Oh, you wanna know about feminist economics? Here's what it is. Here's some key readings. Ecological economics?"

And it's a wonderful introduction. And that's what the student movement has called for is "Just teach us pluralism. Show us that there are many schools of thought. Trust us to have the critical judgment to decide which one we think is useful for these times."

ABIGAIL DISNEY:

You know, the impulse of modern economics has been to take what is chaotic and difficult to manage and rationalize it down to something you can really describe. And what they're doing is exploding that and re-complexifying it, if that can be said to be a word. Which is sort of beautiful.

KATE RAWORTH:

Exactly. And of course, it makes a much less neat degree.

ABIGAIL DISNEY:

There's a lot of talk in the sort of, new social justice, sort of business arena about some language that you use for the economy, about redesigning economies so that they're regenerative and distributive.

KATE RAWORTH:

So, for me these are the two really big principles at the heart of Doughnut Economics.

Let me bring it down the scale of a city. If a city were to be distributive, well, who owns the land in the city, and who owns the housing? Is it owned privately or is it owned by landlords who are renting it out, and so some people are stuck forever paying rent?

Or is it more like the city of Vienna, in which over 60% of people live in housing that is owned by the city or city-run cooperatives, because decades ago, Vienna decided that housing is a human right. So they decided that the housing would be owned collectively and everybody is renting, or not everybody, the vast majority of people are renting and it's affordable and it's central and it's normal and it's good quality. So that's a very good example of distributive housing.

We can ask who owns the businesses? Are we living in towns and cities with major multinational corporations and every dollar you spend there, it's gone? It's gone. It's gone into the headquarters or a tax haven. It's out.

Or are we in towns where the town has built up small local enterprises where the money that you spend goes into the enterprise and the pockets of the workers who are your neighbors and your community, who will spend it again in that town?

ABIGAIL DISNEY:

So when we talk about distribution, there's a hysterical element in our politics, especially in this country, that trots out the S word, socialism.

KATE RAWORTH:

Sharing, you mean? Sharing.

ABIGAIL DISNEY:

Yes. I think that there is hysteria around the word and I do think that there's some anxiety about what the transition from this kind of economy to that economy would look like.

Given that ownership is practically, you know, worshiped in this country as a value, how do we cross, in a place like Vienna, for instance? Did someone lose in that equation?

KATE RAWORTH:

It's not happening that way. The places that are actually committed to having far more distributive ownership of housing, I can think of cities, so let me say, Barcelona.

There's old industrial districts that, those industries have gone and they've been very rundown. Many, many cities have this, right? Rundown, what are you gonna do there? What are you gonna do?

So, they are creating amazing superblocks, blocks with real community, real intention, redevelopment. And they're saying, "Okay, you can build a new company or an industry on half of it, but the other half of this land is gonna be social housing. It's going to have a mix of housing, it's gonna have a mix of affordability, and we're gonna commit to it. And so it'll be a beautiful, low-carbon, energy-efficient, social housing in this city."

ABIGAIL DISNEY:

Right. I notice you talking a lot in terms of cities, and I think that's interesting because in the language of economics, the nation-state is the way we understand economic units.

Tell me about that. Is that a conscious strategy on your part? Is the city more manageable? Is it almost even futile to think in terms of nation-states, in this kind of substantive restructuring?

KATE RAWORTH:

No, I think both really matter. I think, also, the community, almost the neighborhood block, to the town, to the city, to the nation-state, and of course the community of nations, it all matters.

When my book came out in 2017, I spent two years presenting it wherever I was invited, and I was amazed by the people who came up to me afterwards and said, "I love these ideas. I'm doing it. I'm putting it into practice. I'm a teacher, I'm teaching in the classroom. I'm a town counselor, I'm a city counselor. I'm a mayor. I'm a social entrepreneur. I'm a business leader. I'm bringing this into my community."

So we founded Doughnut Economics Action Lab to connect with and work with these changemakers who are actually doing it. It's all about putting ideas into practice.

We have a principle: we go where the energy is. We're a tiny team and we work with whoever says, "Yep, these ideas look like the kind of ideas that will help us bring about the changes we want to bring about in our place."

So cities came first. Amsterdam was the first city. In April 2020 they, in the midst of COVID, the height of Covid, they said, "The doughnut is the compass we want."

Six weeks after Amsterdam did that, well, Copenhagen City Council saw that and they said, “Well, we are gonna...” They voted, massive majority, to explore what it would look like to create a Doughnut Economy in Copenhagen.

Barcelona, Glasgow, it's popping up all over the world. There's around 40 cities or towns or districts around the world that are engaged, but also the nation of Bhutan. We are working with the government of Bhutan to bring the principles of Doughnut Economics into not only their city planning, but into the way their civil service think about the future of the nation.

ABIGAIL DISNEY:

So, you have this great TED Talk where you talk about growth and how growth became, you know, sort of this almost, like, religious precept in the market-forward way of understanding the world. And you make a distinction between thriving and growing, and I do think that there is a fear of, “If not growth, then stasis, and stasis bad. Stasis scary. We can't have that.”

So, help me understand the difference between thriving and growing and what is the alternative to growth? And is the opposite of growth always paralysis?

KATE RAWORTH:

Right, so I have 14 year-old twins and like many, many families we have, every year on their birthday, measured their height on the wall. And, for solidly they grew two inches a year. And it's wonderful.

And you know what? And they're both taller than me now. And they're actually so tall, it's when people who haven't seen them for about a year, their jaw drops and they can't believe they're looking up and not down, “Oh my, haven't you grown?” And it's wonderful.

But if my kids keep growing two inches a year, within a decade they literally cannot fit in my house. They cannot sit at my table. They will not belong, and they would be monstrous. So, I do not wish any further growth for my kids. They have grown enough.

Now I want them to thrive. And indeed, this is a word that we use, right, when our kids are in high school or in university? “Oh, how's your daughter?” “Oh, they're really thriving.” That's what people say.

When they're little we say, “Oh, aren't they growing?” And then we say, “They're really thriving.” So we already get this.

Secondly, and we're coming back to metaphors and actually checking out the metaphors we use and realizing we already have a more nuanced understanding of them.

Yes, we love growth. And people say, "Oh, but, but isn't growth so deeply ingrained in us?" Well, yes, but if I told you my friend went to the doctor and told her she had a growth, well, we go very quiet, because we know that that means something completely different. We know at the level of our own bodies which, like our living planet, our bodies, each one is a complex, adaptive, delicately balanced living system. And we know that when something tries to grow endlessly within our body, and we call that cancer, and we immediately do everything we can to stop that thing growing disproportionately because we know it's a threat to the health of the whole.

Well, why would our economy be any different? The idea that money in the bank and financial, only financial, value should increase endlessly. When we see the impact that it has on health, on communities, on inequality, it is a threat to the health of the whole, if we put financial value before the whole.

So to me thriving is a beautiful word because it's not stasis. When something's thriving, it's definitely not static and still. It's dynamic. It's a living world.

And to me this is the existential economic question of our century. And it's a question particularly for high income countries, yours and mine and Europe and Japan and Canada and New Zealand: How do we now stop being dependent upon growth? How do we learn to thrive? How do we take the dependency on growth that's been written into our economic institutions - how do we take that out? Now, yes, that's challenging. Actually, it's terrifying, and it's also really exciting, and every economic student today should be invited to ask those questions and study those issues because theirs is the generation that has to learn this.

ABIGAIL DISNEY:

That's a wonderful note to end things on. Thank you so much, Kate. This has been such a delight to talk to you. Really, a pleasure.

KATE RAWORTH:

Big pleasure talking with you. Big pleasure.

OUTRO

To see the doughnut and learn about folks putting it to use in their communities, check out the website for the [Doughnut Economics Action Lab](#).

You can also follow Kate Raworth on Twitter @KateRaworth. That's R-A-W-O-R-T-H.

If you want to see *The American Dream and Other Fairy Tales*, it's available on Amazon, and iTunes, and vudu. And we're hosting screenings across the country, so to find out if there's a screening near you, or to host a screening, please visit americandreamdoc.com. That's americandreamdoc.com.

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