Book Review: Doughnut Economics

Review: Doughnut Economics, Kate Raworth

Don’t panic: this is not another ‘cure all’ economic model.

It’s an endorsement of the current model. And if that makes you panic, read on.
In my own book, Organisational Myths (via www.bookboon.com), I joined the likes of respected journalist and author, George Monbiot, by describing Doughnut Economics as a new (and exciting) alternative economic model. (Monbiot has also described Raworth as the 21st Century John Maynard Keynes.)
I’ve changed my mind.

And given the failure of previous single option models – communism, socialism, capitalism, neoliberalism – I’m relieved to have done so.
Rather than putting all its eggs in one basket, Doughnut Economics is, it now seems to me, a (more realistic) endorsement of the existing model: a mixed economy. It even allows room for new components to develop alongside the current components: the market, the state and what it calls the household and commons economies – the latter two respectively being unpaid work such as cooking and nursing carried out in the home and unpaid work such as development of open source software and contributions to Wikipedia.
So is there really anything new about it?

What Doughnut Economics does is provide a coherent ‘framework of thought’ (Monbiot) both to re-configure the balance in the current mixed economy and to measure its success. In

particular, it throws out the old measures of GDP and relentless pursuit of GDP growth as the self-reinforcing measures and drivers of success. The (ring) doughnut replaces those measures with a framework that includes an outer limit (outside the ring) of economic activities which harm the environment and an inner limit (the hole in the ring) of economic activities which harm society. The doughnut, itself, represents the safe and just space where people within a mixed economy can thrive.
And it is thriving which the book argues should be the ultimate measure of success, stating that we need to replace our current (mixed) 'economies that need to grow, whether or not they make us thrive' with (mixed) 'economies that make us thrive, whether or not they grow'. That is, as I now read it, a change of balance within the existing model, not a change of model.
Perhaps that's a moot point.

Whatever, the book also collects and describes many ways by which thriving within the doughnut can be achieved, for example replacing the current (faith based) GDP and growth driven obsession with a distributive and regenerative approach. It also describes methodologies as well as providing compelling examples where such changes are already successfully taking place.
So, was George Monbiot going too far when he described Kate Raworth as the 21st century John Maynard Keynes? Keynes was amongst those with a single club model which on its own has failed, so perhaps Monbiot wasn't going far enough!
And would I still recommend Doughnut Economics? Absolutely.