Post-growth indicators in action: could the Donut approach be a catalyst?

Géraldine Thiry – Tristan Dissaux – Philippe Roman

The predominance of economic growth as a macroeconomic objective is increasingly being challenged. Transiting towards a post-growth world is necessary, even if the contours of such a world are not yet well defined. To reach it, the objective of GDP growth must be exchanged for that of a “just and safe space for humanity” (Raworth, 2012). This implies changing the compass and marking out the paths of transition with new prosperity indicators.

However, despite the abundant literature on the subject and the international spotlight they have received following the work of the “Commission on the Measurement of Economic Performance and Social Progress”, the new prosperity indicators are struggling to enter decision-making arenas. Either these indicators are largely unknown, or they are familiar, regularly published and commented on (as the ecological footprint or the human development index), but not part of binding processes, as is the case for GDP. And when they are produced, published and promoted by influential institutions, it is at the cost of diluting their transformative scope, because the methodological choices underlying their construction are such that they do not question growth or its social or ecological limits and impacts. Their raison d’être is therefore greatly diminished, or even disappears.

Three main reasons explain this difficult institutionalization.

First, these indicators suffer from their great heterogeneity in many dimensions: object, supporting institution, scope, scale, purpose, number, format, etc. This heterogeneous proliferation makes it difficult to identify the horizon they target, and the potential uses of such indicators. This lack of coherence makes it hard to build a common and mobilizing narrative.

Second, many social, institutional, economic, and geopolitical factors converge today to maintain GDP and growth as the main milestone and goal, respectively. Consequently, only ‘watered-down’ social or environmental indicators - i.e. those whose scope is not likely to challenge the foundations of the current economic system - are recognized as legitimate or applicable by institutions or economic actors.

Third, there is a misalignment between the macro-trends new prosperity indicators are to reflect and the micro dynamics which they are supposed to aggregate. Whereas, by construction, GDP is the sum of the added values generated by the organizations whose activities are accounted for in monetary terms (be there market or non-market), the new prosperity indicators show phenomena or global trends that are difficult to break down at the meso or micro levels. This affects their operability since a local change of course will not (properly) be reflected in the global trend indicator.

It seems to us that the Donut economic approach (Raworth, 2012) and the way in which it can be applied empirically has the potential to address all three of these pitfalls and be effectively transformative. Firstly, the principles underlying the approach are clearly spelled out in the book that lays the foundations of the Donut. Thus, the Donut approach offer those who wish to use it the means to make many indicators coherent, and to place them in a mobilizing narrative. Second, the empirical implementation of the Donut, by construction and by the principles underlying the model, imposes a systemic vision of ecological, social, and economic issues, which makes cherry picking difficult and limits the risks of watering down indicators. Finally, the openness and relative flexibility of the Donut approach make it potentially feasible to articulate coherently different scales of application. These three characteristics seem to us to offer the potential of a tool that is both coherent, at the service of a post-growth horizon, and more concretely appropriable than previous attempts at new prosperity indicators. That is based on these assumptions that we have developed the “Brussels Donut” project (2021), through an original appropriation of the Donut theory. In this contribution, we want to present this original methodology to bring empirical support to the demonstration of the transformative potential of the Donut, but also to question its weaknesses and challenges ahead.