

## The main theory of the book

In response to the perceived failings of traditional economists to predict the 2008 recession, Kate Raworth introduced a new model to consider the economy. She does this by adding several socio-environmental factors to form what she calls the doughnut model, which was introduced in 2012. Kate's beliefs that economics needs to evolve with people and technology lead her to collect her ideas in this book in 2017. Her goal was to create a guideline for students and academics who wish to evolve from rational economists to 21st century humans. She wishes to change our linear models into circular ones that account for all human needs. The doughnut symbolizes an idea of a dynamic equilibrium ensuring that everyone has access to their basic needs while not limiting the opportunities for future generations by protecting our ecosystem. In the middle of the doughnut is the safe zone which is economically and socially comfortable for humanity. Raworth highlights in the book that the GDP growth should not be measured as it is now, the economy should promote human prosperity

## The most important concepts

The book goes over 7 ways of thinking that will allow us to enter a zone where we do not exceed the planet's carrying capacity and maintain a standard of social welfare for all. These are as follows:

1. **Change the goal:** Changing the goal from pursuing growing GDP to finding ways to achieve balanced development.
2. **See the big picture:** Embedding the economy within society and nature, and powered by the sun rather than maintaining the limited Circular Flow diagram.
3. **Nurture human nature:** Redefining human self-portraits to acknowledge and value the existence of human nature.
4. **Get savvy with systems:** Understanding the economy's dynamic complexity through systems thinking, rather than pursuing a mechanical equilibrium.
5. **Design to distribute:** Designing economies to be far more distributive of the value that they generate, rather than waiting for economic development to bring equality.
6. **Create to generate:** Considering the circular economy at the design stage, rather than waiting for development to improve the environment.
7. **Be agnostic about growth:** Stopping the addiction to development. What we need is a thriving economy, whether it grows or not.

## Critiques to work

The book is well written and easy to follow and offers good challenges to the way we view economics. However, in making the book more accessible, there are certain concepts that Kate oversimplifies, and therefore misrepresents the underlying problems. In one instance, she blames global problems on economists and their inability to predict crises but fails to acknowledge those that sounded the bells but were ignored. At other times, she misrepresents the reasons economists focus on economic growth.

Another problem with the book is that while the points are well-argued in a theoretical sense, there is little practical information or methods to adapt the 7 ways of thinking into our life. At the moment, these are only lofty ideals without any practical data to back their efficacy.

Another issue we found with the book is the fact that it is extremely Western focused, and does not provide developing countries with a good framework that would allow them to enjoy a similar quality of life while being sustainable. As it stands, most developed countries only need to focus on one side of the donut, but developing ones will be forced to work on both simultaneously.