TRANSCRIPT

Turning the Story Around:
Designing Regenerative and Distributive Economies

Rohan Hazell:

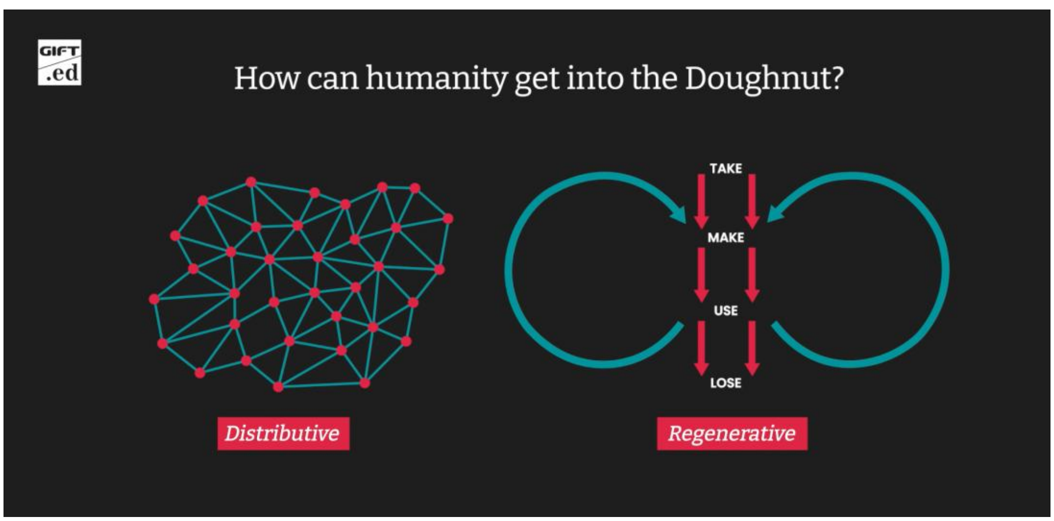
20th-century economic models have propelled humanity to where we are today but are still characterised by human deprivation and ecological overshoot.

Oxford economist Kate Raworth suggests a new sustainable and equitable paradigm with economies that are regenerative and distributive by design.

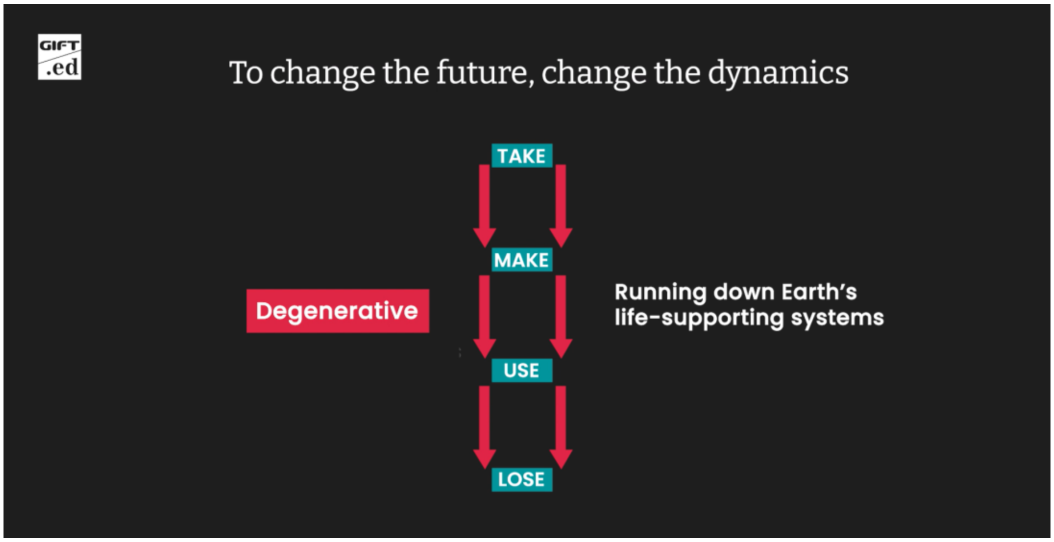
Kate Raworth:

So, the Doughnut shows us that there is massive human deprivation and already massive ecological overshoot. How do we turn this story around? It's clear that the guidance, the values from 20th century economics will not get us there. Growth does not even things up again, and it definitely does not clean up after itself. So, we cannot take these as a guide.

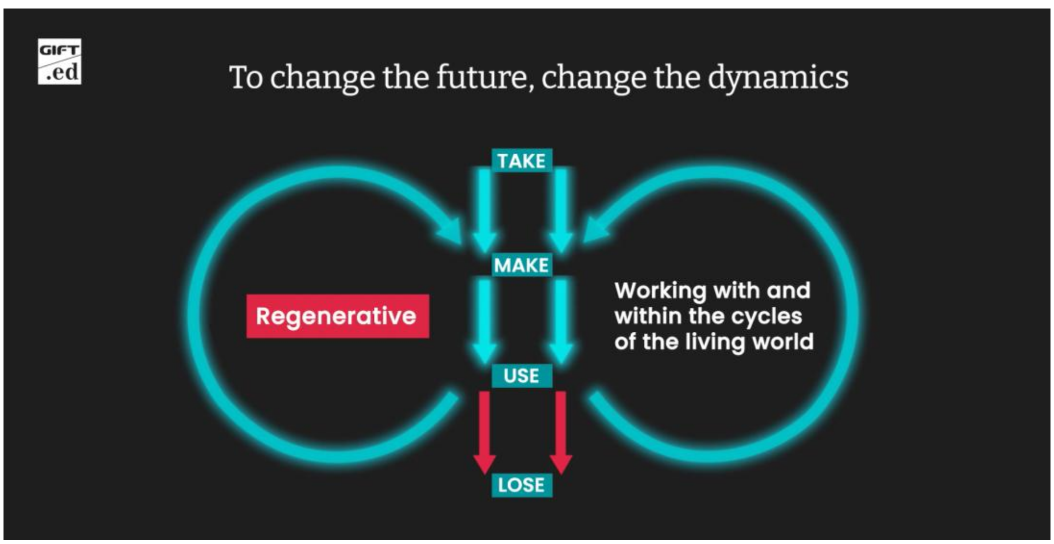
We need new economic thinking. We need to create economies that are distributive by design and that are regenerative by design. Only with that intention will we start to reverse the direction we've been going in.



Let me tell you what I mean. We've inherited economies that take earth's materials, make them into stuff we want. We use it for a while, often only once, and then we throw it away. And this take, make, use, lose is a degenerative industrial system that is running down the life support systems of our planetary home.



We have to turn these linear, degenerative arrows into circular or cyclical arrows that go round and round, so that we don't use things up. We use them again and again, far more carefully, more collectively, more creatively and more slowly.

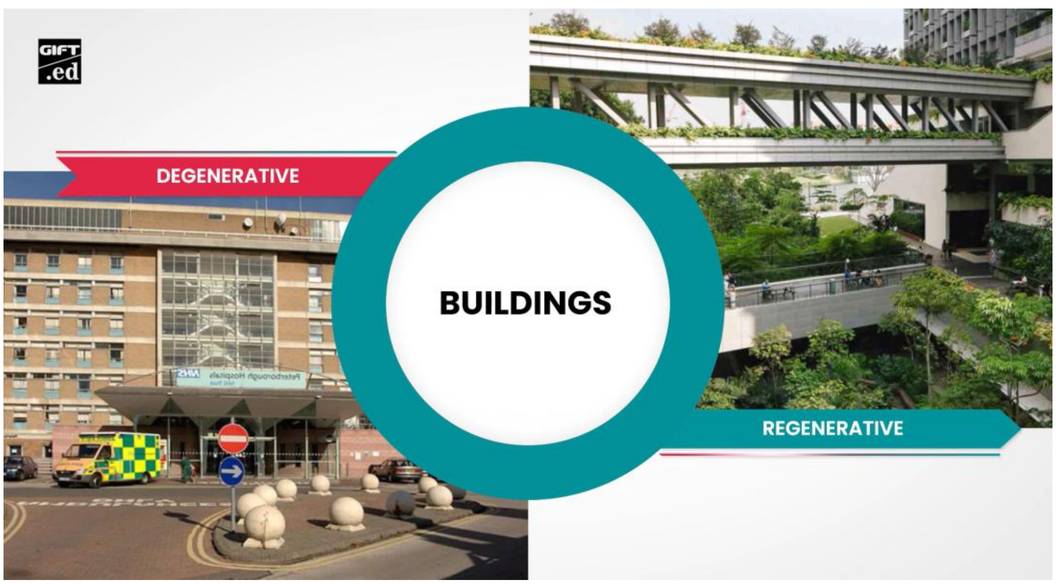


And that is key to reducing our impact on the earth, to reducing our use of energy and materials, so that we start to work with and within the cycles of the living planet. Some examples of what that can look like at the scale of landscapes. We're going from degenerating landscapes to landscape restoration, and even just seeing these images. I believe that as human beings who are a living part of this planet, we breathe differently. We breathe in when we see that image of restoration. Earth is generous to us, she has been generous, and she comes back, she regenerates herself when we give her a chance.

At the scale of industry and technical materials, we need to move away from throwing our waste into the neighbourhoods of the world's poorest people, to repairing and refurbishing and sharing and reusing in a circular or cyclical economy. And this must become the design embedded in every product that we use.

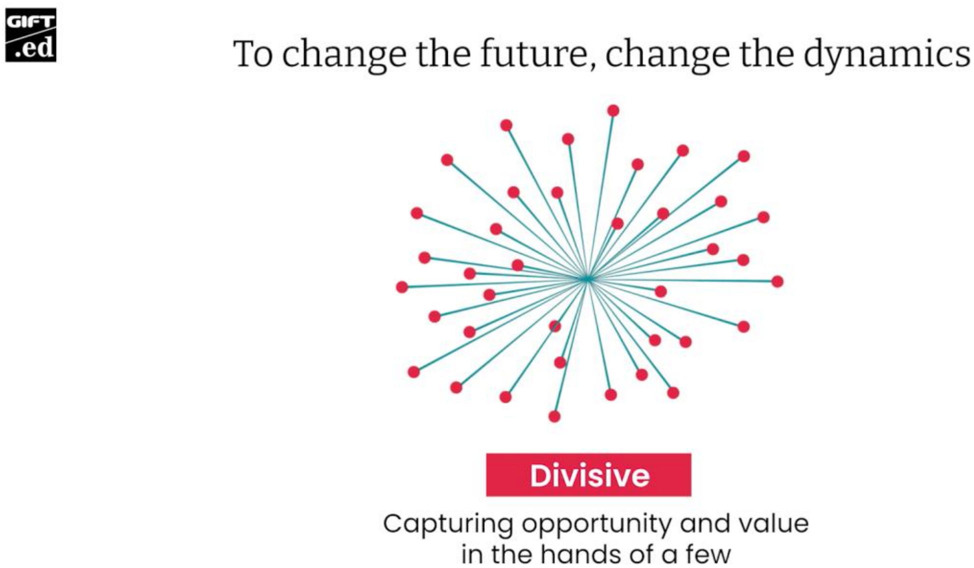
At the level of a city, this city centre in Seoul in South Korea had a ten-lane car highway, and it's been converted into a river and a park. That is not Photoshop, that is real. Imagine and feel the life in that city and how it's changed.

And let's come right down to the level of hospital. Where would you rather be getting better? In this nature-less hospital in the UK or this nature-rich hospital in Singapore? We know that human beings heal better and faster when we can see other parts of nature.

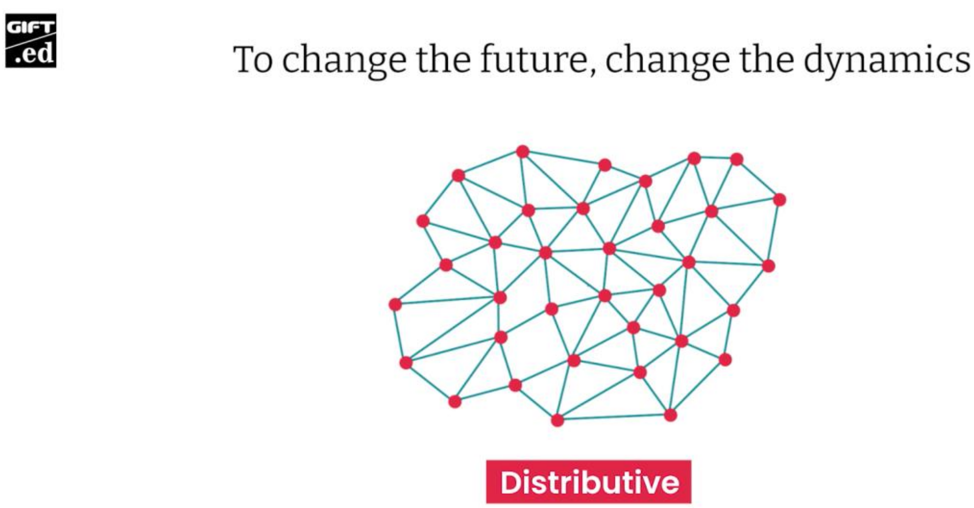


So from the global, to the industrial, to the city, to the building scale, there are so many ways we can create economies that are regenerative by design.

Secondly though, another dynamic, we've inherited economies that are divisive by design. They capture opportunity and value in the hands of a few.



This is giving rise to a global 1%, often a national 1%. We see that happening. We have no chance of getting into the Doughnut with such extremes of inequality in the world. We have to create economies that are distributive by design, that share value and opportunity far more equitably with all who co-create it.



And I ask anybody, what could possibly be objectionable about that sharing value and opportunity that's created with all who co-create it? What can that look like? Let me give you a couple of examples.

Housing. In London, there is a crisis of affordable housing, because decades ago, Margaret Thatcher sold off our social housing and to turn it to private housing, it then got turned into an investment asset. So in London, as in many major cities, housing is treated as an investment asset, where landlords can then reap a high return through rent on their asset. And many, many people are left without the prospect of ever owning their own home and unaffordable rents.

In the city of Vienna, by stark contrast, over 60% of people live in social housing that is owned by the city or by city run cooperatives. It's central, it's affordable, it's normal, it is good quality, because the city of Vienna decided 100 years ago that housing is not an investment option, it's a human right. And they decided for the housing of the city to be owned in a way that enabled it to be treated as a human right.

What about in the world of business? We know the norm of business has been led by profits. Business is designed to maximise profit. This extracts as much value as possible from the workers. It extracts as much value as possible from the living world, creating waste and pollution and withdrawing financial profits for the shareholders or owners of the company. That's just one design of business, which turns out to be an extremely divisive design. Business can be designed in many other ways to share value back with all who co create it.

This craft production company in Mumbai, which is owned by the workers, so the value is shared back with them as workers who contributed. There are many, many different ways we can design not only the housing, not only our businesses, but how we travel, how we own technology, how ideas are owned. Are they corporately privatised? or are they placed in the commons? so we can create economies that are far more regenerative and distributive by design.

Rohan Hazell:

Regenerative economies move beyond the linear 'take-make-use-lose' model to a more circular approach.

Distributive economies address the divisive nature of current economic systems, which concentrate wealth and opportunities in the hands of a few.

For both governments and businesses, keeping these two goals at the forefront of economic activity and policymaking will help us become more focused and deliberate in our efforts at redesigning society.