

Course 12:

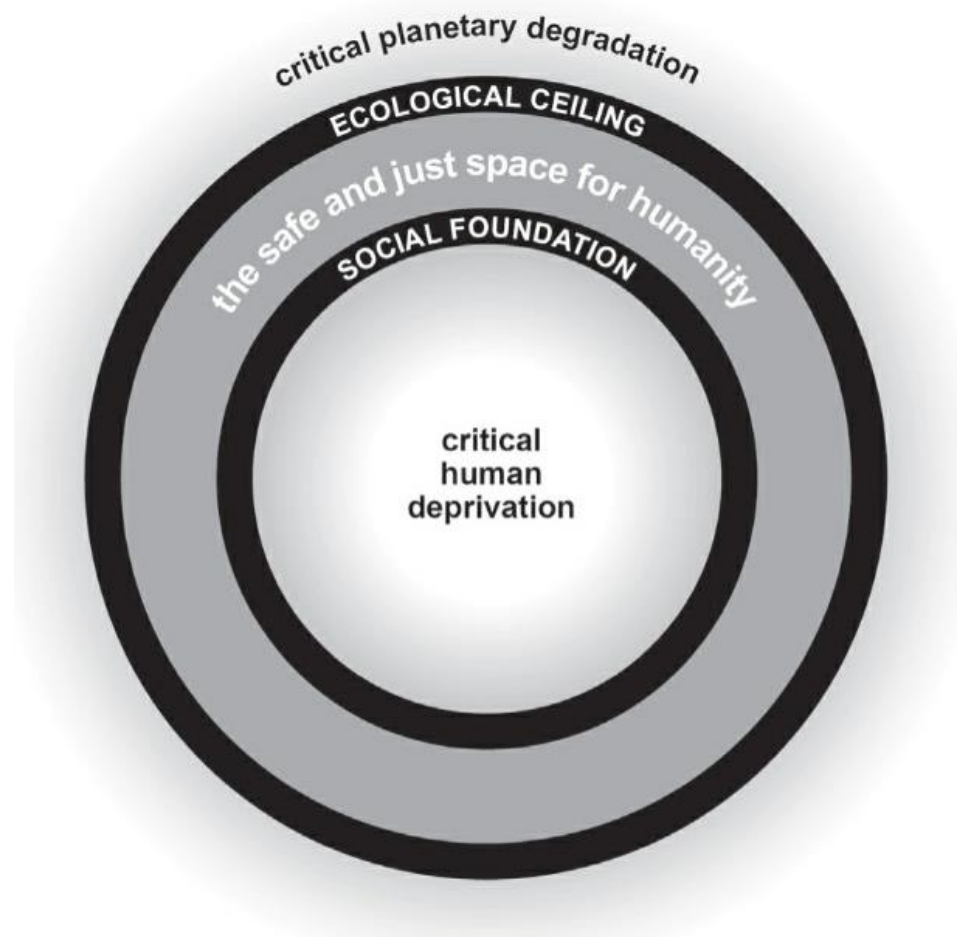
Women in Economics – Part II

Kate Raworth, *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*, 2017.

Values and a diagrams

- A shift from long-established theories to humanity's long-term goals
- The power of pictures

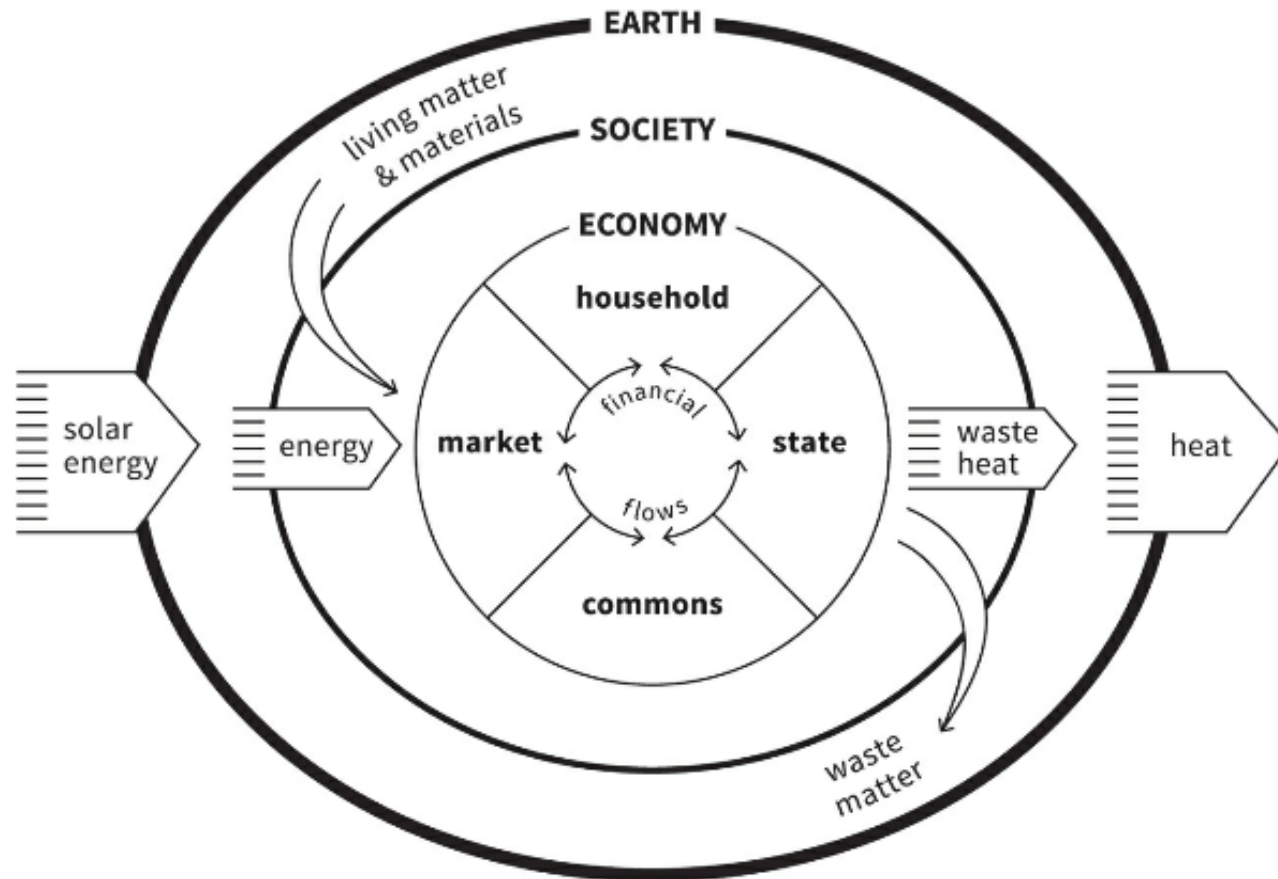
Use of diagrams/images in economic research and teaching.



Kate Raworth: Doughnut Economics – 7 ways to think like a 21st century economist

- 1/ economics has “eclipsed any real study of humans” change the goal, from GDP > meeting human rights of every person within the means of our life-giving planet.
 - Is price paid really a good proxy for utility gained?
 - Is growth really the same as progress?
 - The separation of economics from political philosophy led to Michael Sandel’s “moral vacancy” in public policy-making.
 - “every person [should be able] to lead their life with dignity, opportunity and community”

2/ See the big picture: from circular flow to embedding economy in society within nature, and powered by the sun.



The Embedded Economy, which nests the economy within society and within the living world, while recognising the diverse ways in which it can meet people's needs and wants.

- 3/ nurture human nature, richer than *homo economicus*.
- 4/get savvy with systems: replace supply and demand criss-cross, with a simple pair of feedback loops > stop searching for levers, start stewarding the economy an ever-evolving complex system

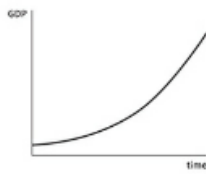
- 5/ design to distribute: Kuznets Curve suggests things will get worse then better. Inequality is not an economic necessity but a design fault
- 6/ create to regenerate: Environmental Kuznets Curve > design circular – not linear – economy
- 7/ be agnostic about growth: economics assumes endless growth > but nothing in nature growth endlessly

Seven Ways to Think:

From Twentieth-Century Economics

To Twenty-First-Century Economics

1. Change the Goal



GDP

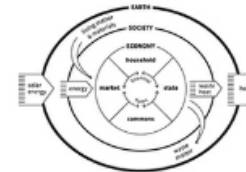


the Doughnut

2. See the Big Picture



self-contained market



embedded economy

3. Nurture Human Nature

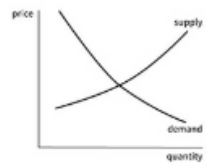


rational economic man

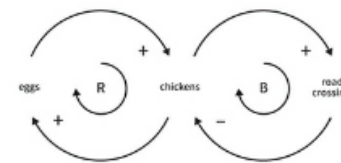


social adaptable humans

4. Get Savvy with Systems



mechanical equilibrium



dynamic complexity

5. Design to Distribute

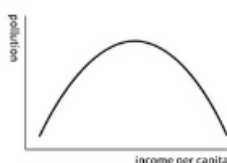


growth will even it up again

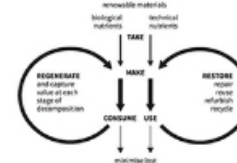


distributive by design

6. Create to Regenerate

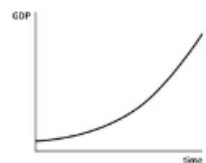


growth will clean it up again

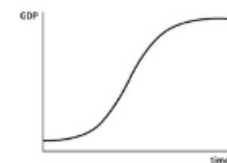


regenerative by design

7. Be Agnostic about Growth

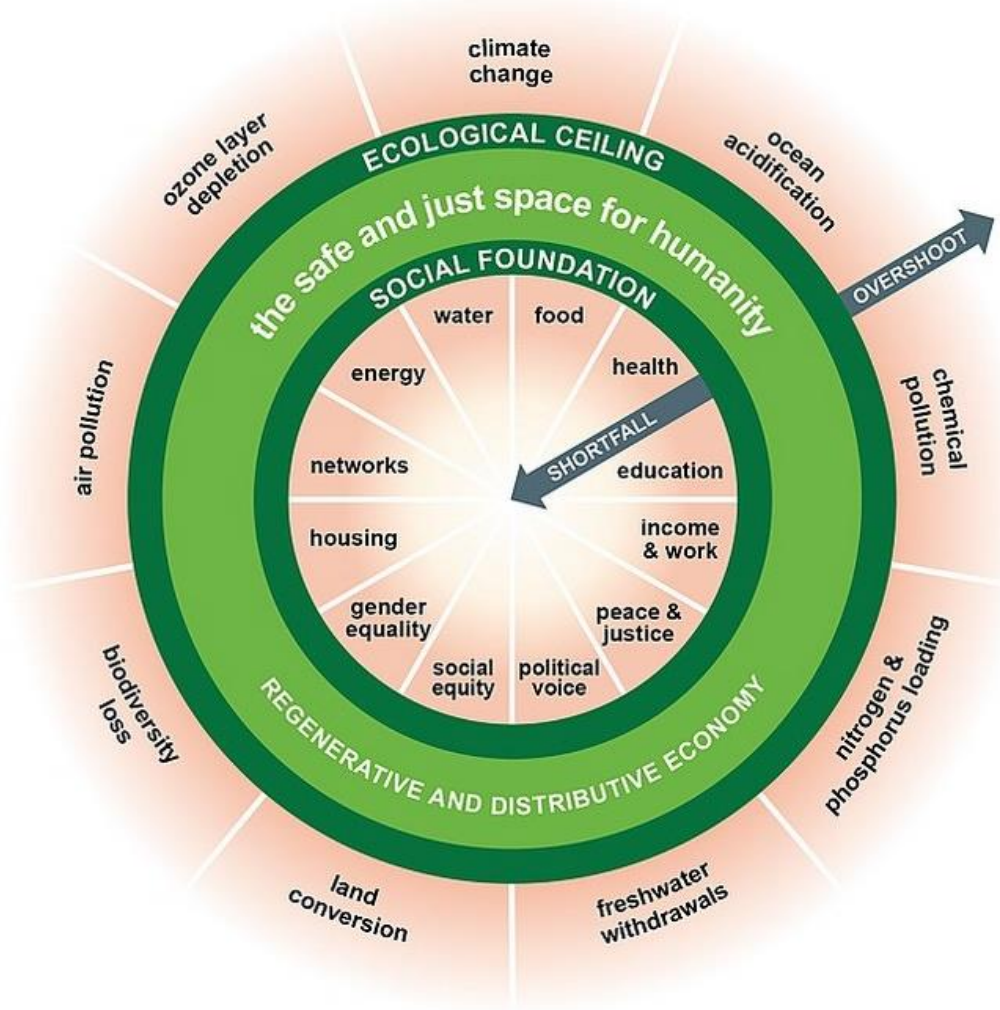


growth addicted



growth agnostic

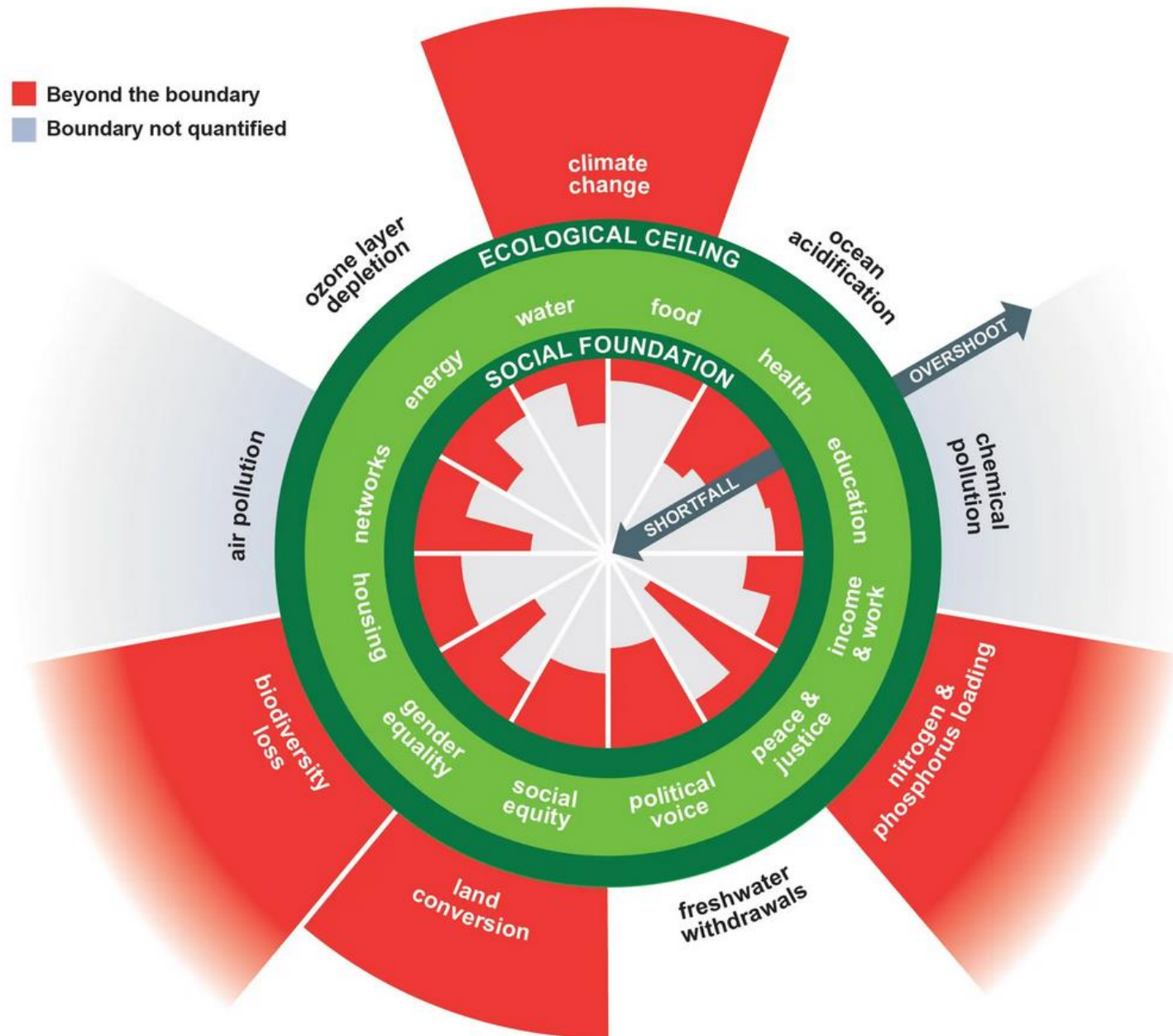
Kate Raworth: Doughnut Economics



Social foundations
(drawing on Sustainable Dev Goals of UN) – basic needs

Ecological ceilings
(drawing on Earth-system scientists) – planetary boundaries

The state of the world “today” (2017)



A new policy for Amsterdam?

WHAT WOULD IT MEAN FOR AMSTERDAM TO RESPECT THE HEALTH OF THE WHOLE PLANET?

OCEAN ACIDIFICATION

CITY TARGET

Reduce the city's in-boundary CO₂ emissions to 55% below 1990 levels by 2030, and to 95% below by 2050.¹¹

CO₂ dissolved in seawater has increased the level of ocean acidity by 30% since the beginning of the Industrial Revolution.¹¹

EXCESSIVE FERTILIZER USE

The Dutch agricultural sector is responsible for 61% of the total amount of nitrogen emissions, mainly caused by fertilizers.¹²

OVERFISHING

Fish consumption has more than doubled in the Netherlands since 1990, putting the country in the top 25% of fish-consuming nations in the world.^{13,14}

FRESHWATER WITHDRAWALS

The Netherlands has the highest water footprint in Europe, with almost 90% of total water consumption embedded in imports such as meat, cotton and food.^{15,16,17}

CLIMATE CHANGE

CITY TARGET

Reduce the city's in-boundary CO₂ emissions to 55% below 1990 levels by 2030, and to 95% below by 2050.¹¹

In 2017, Amsterdam's in-boundary CO₂ emissions were 31% above 1990 levels. Furthermore, 63% of the city's total CO₂ emissions are produced beyond city boundaries, embedded in the building materials, food and consumer products that the city imports.^{18,19}

AIR POLLUTION

50-60% of air pollution in China is associated with products and services that are exported to other countries including the Netherlands.¹⁶

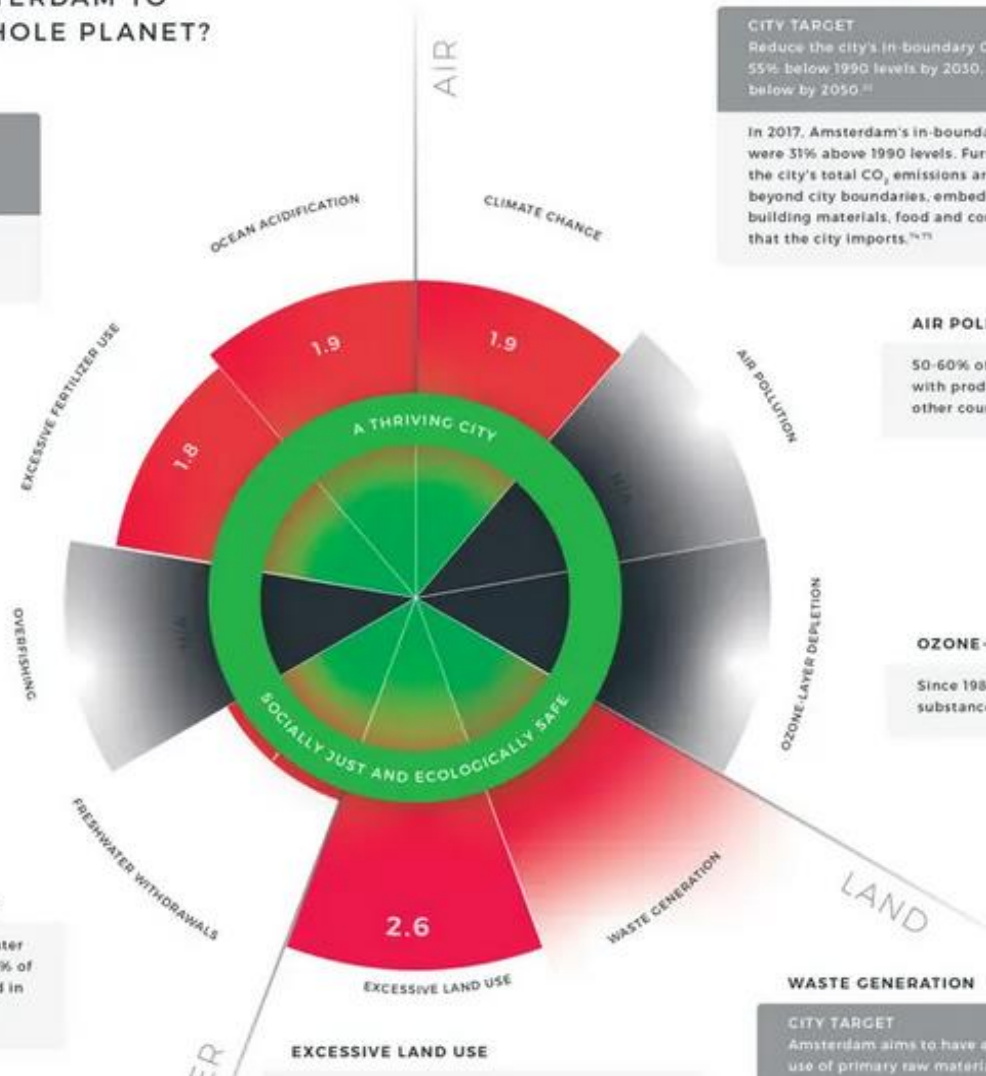
OZONE-LAYER DEPLETION

Since 1986, global use of ozone-depleting substances has declined by over 90%.¹⁷

WASTE GENERATION

CITY TARGET

Amsterdam aims to have a 50% reduction in the use of primary raw materials by 2030, and be a



Amsterdam Circular Strategy 2020-2025

- Reuse of raw and other materials
- Focus on 3 value chains
 - Food and organic waste streams
 - Consumer goods
 - Built environment
- Goals: halving use of primary raw materials by 2030, 100% circular by 2050

Source: City of Amsterdam, [Policy: Circular economy](#), 2020(?)

Minouche Shafik, *What We Owe Each Other: A New Social Contract for a Better Society*, 2021.

Minouche Shafik, *What We Owe Each Other: A New Social Contract for a Better Society*, 2021.



4/5 people believe 'the system' is not working for them (US, Europe, China, India, etc.)

Native populations feel migrants are changing societies

Men feel threatened by empowered women

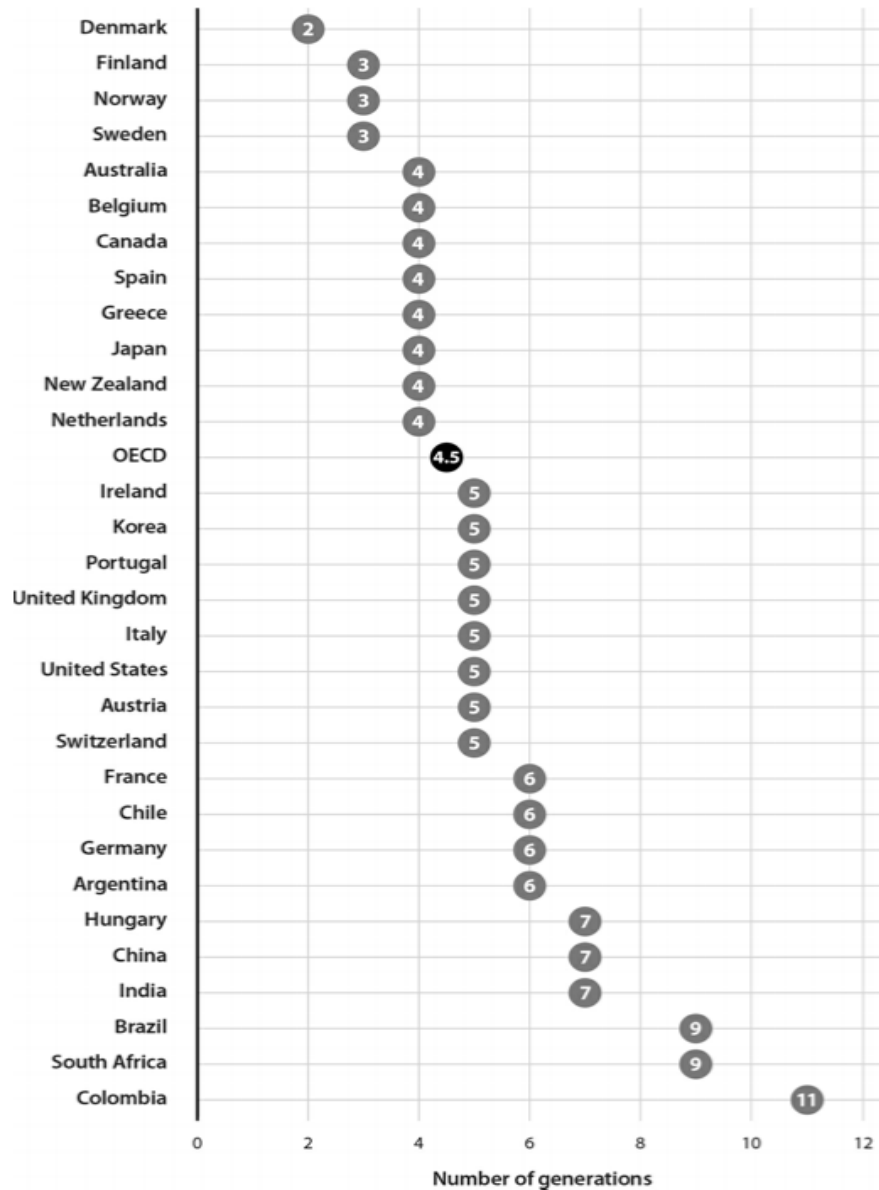
The young are vocal about the elderly

A Social Contract

- An approach that recognizes the primacy of expectations and mutuality, the efficiency and value in collective provision and sharing risks
- How much does society owe an individual and what does an individual owe in return?

Throughout history

- People have pooled resources to varying degrees to enjoy benefits and manage risks
- In virtually every society caring for young and old has been the responsibility of women
- Education, health care and employment of next generation has tended to be a collective responsibility.



Social mobility: how many generations to go from being low income to middle income?

Conditions and characteristics of the social contract

- Persuading higher-income groups in developing countries to rely on public provision is key to raising revenues for a better social contract
- The social contract should consider a broad range of measures including income, subjective well-being, capability, opportunity and freedom

Welfare states to smooth out life-time income

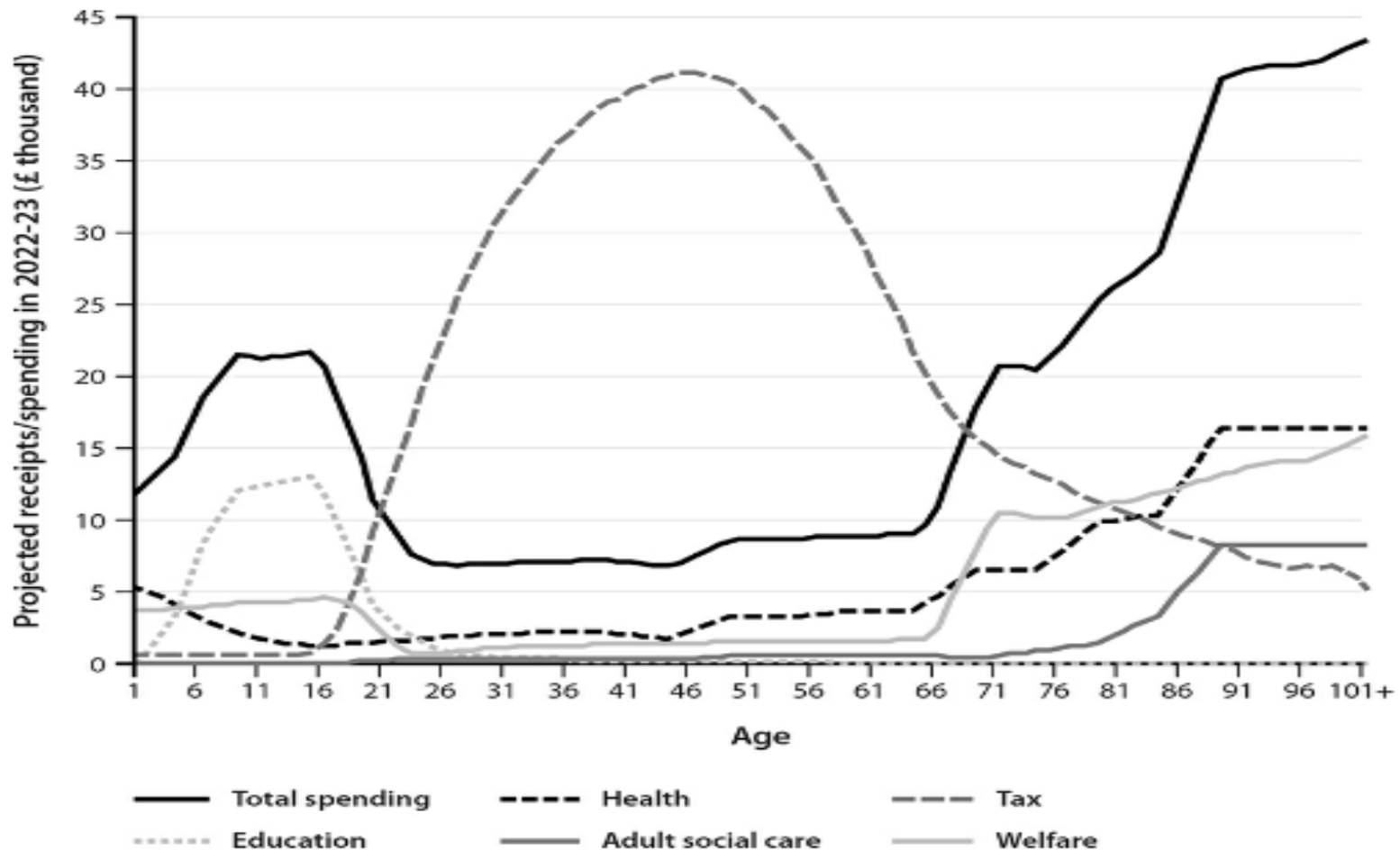
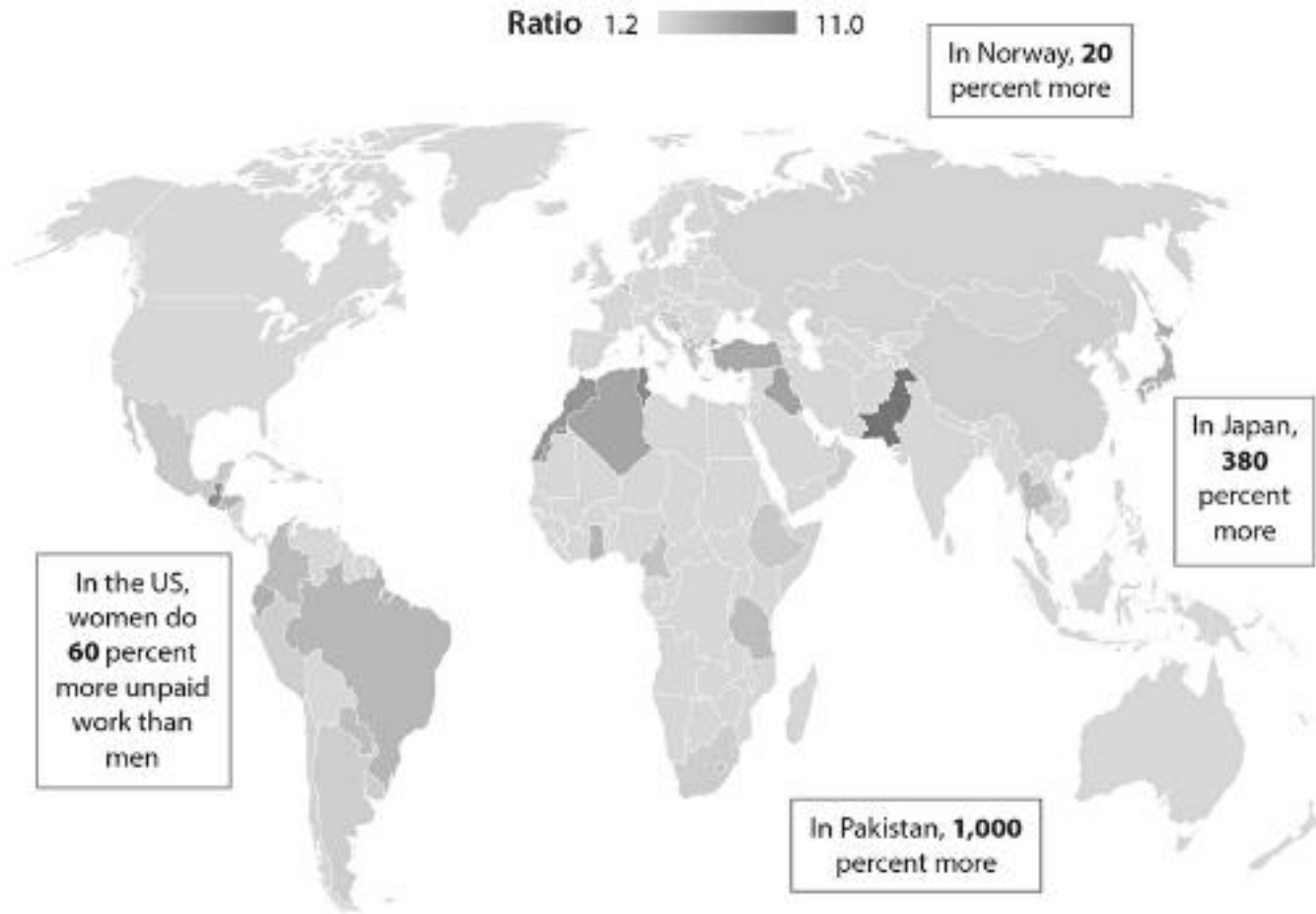


Figure 2. People pay into the state in middle age and take money out when they are young and old

3 broad principles of new social contract

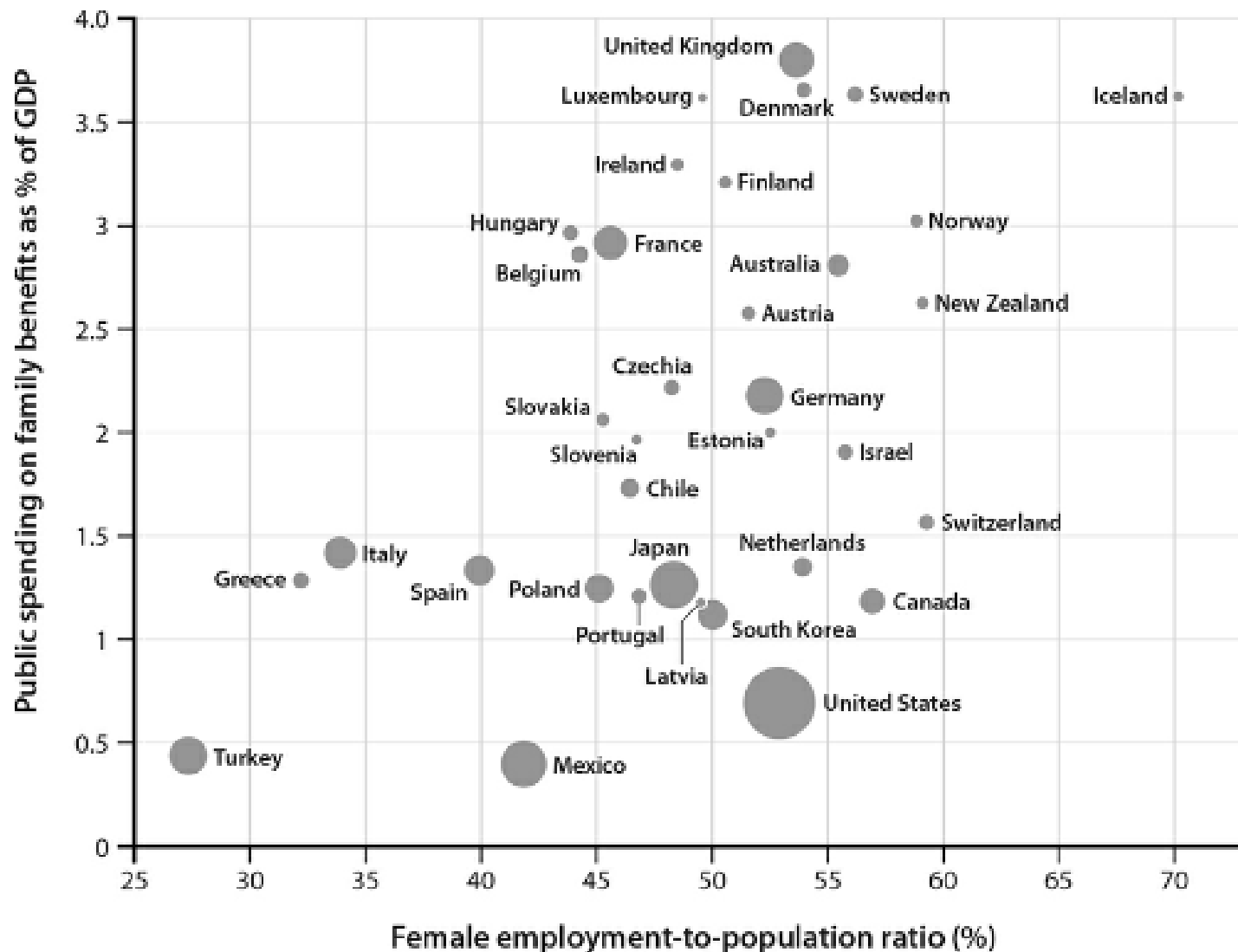
- Everyone should be guaranteed the minimum required to live a decent life (incl. health care, education, pensions)
- Everyone should be expected to contribute as much as they can – and be given opportunity to do so with training throughout life
- The provision of minimum protections around some risks (sickness, unemployment and old age) are better shared by society.

Ratio of female to male unpaid work

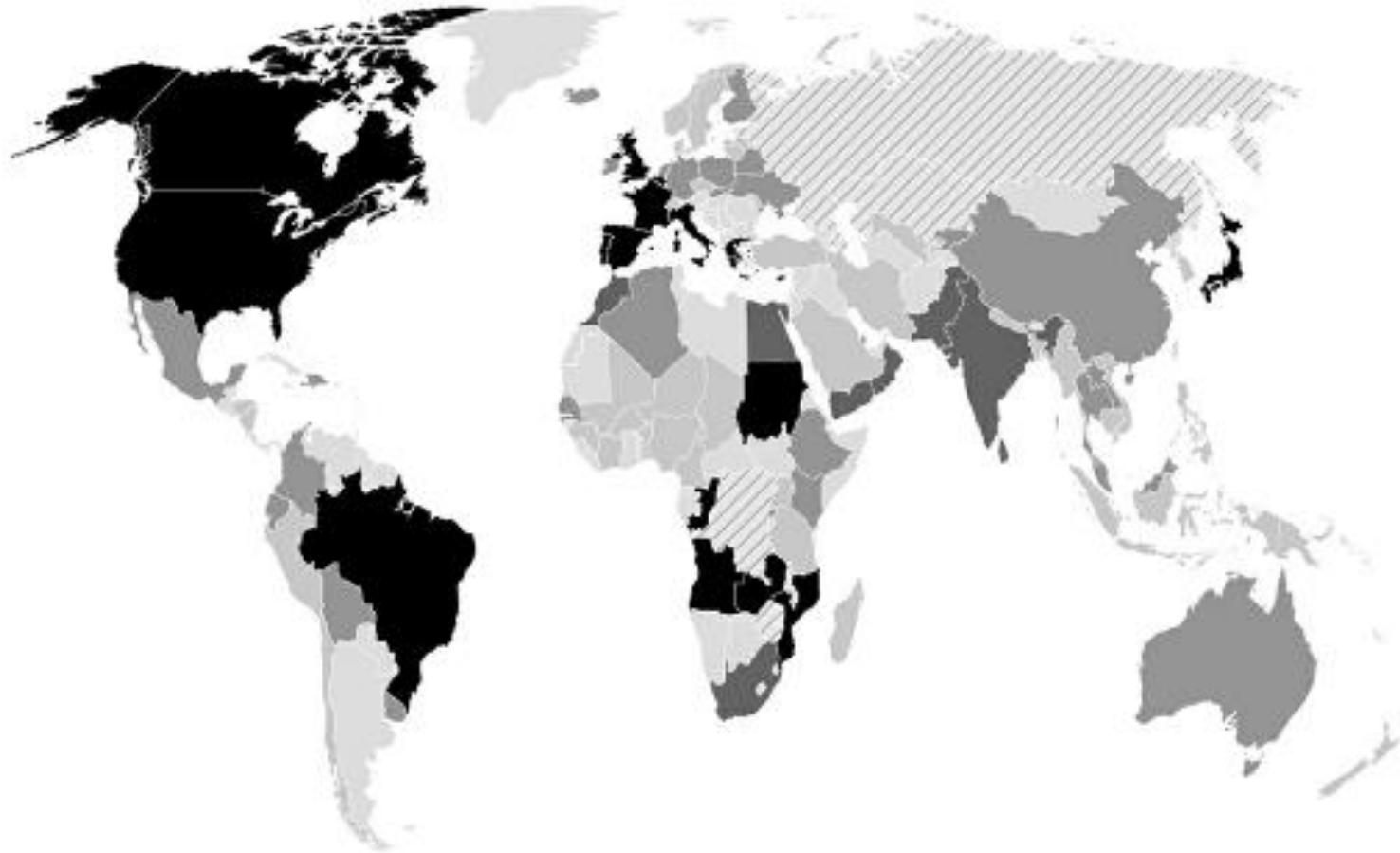


Ratio of female to male unpaid work

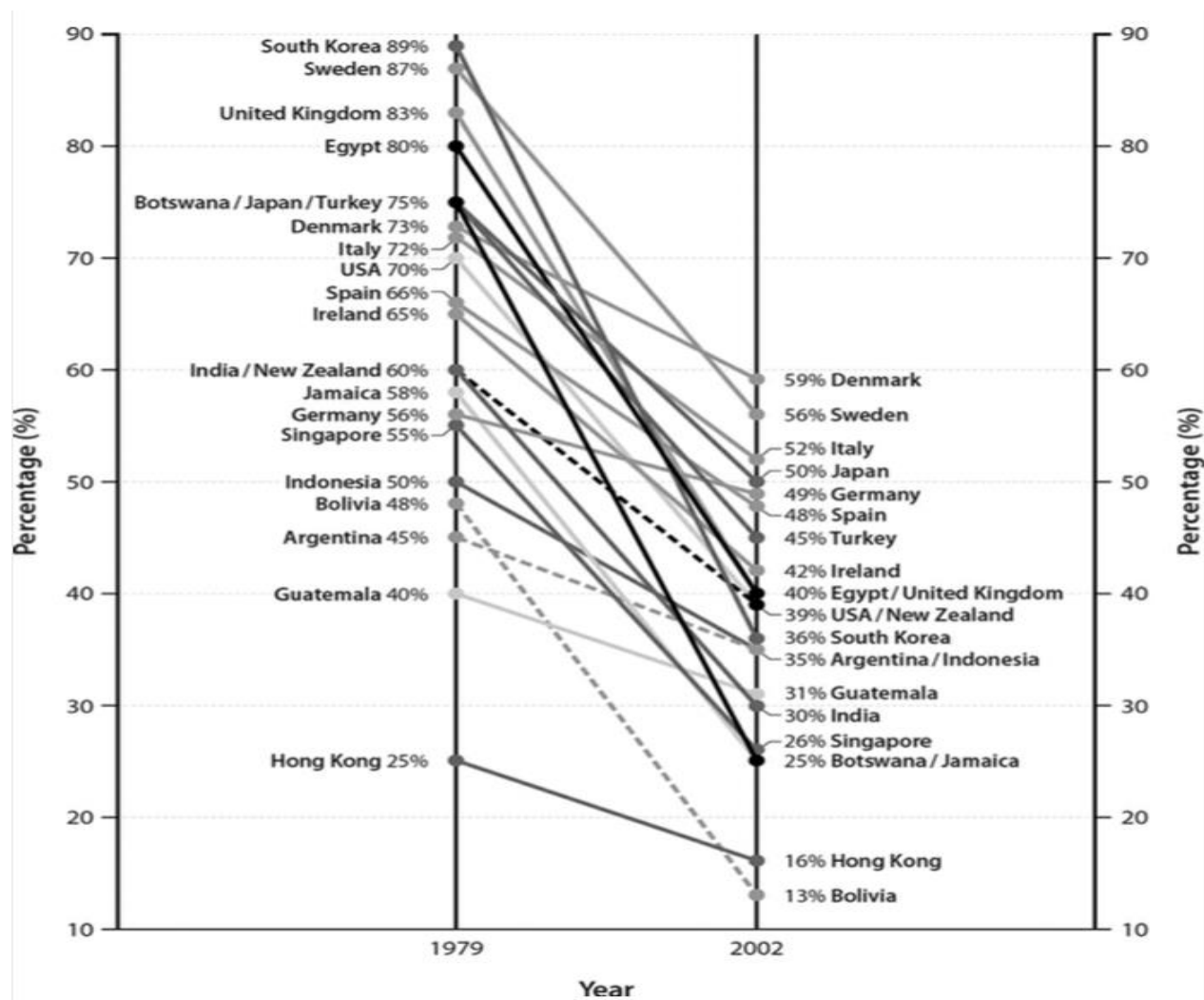
Countries that spend more on families enable women to stay in paid work
(but male attitudes need to change too)



Debt to GDP levels

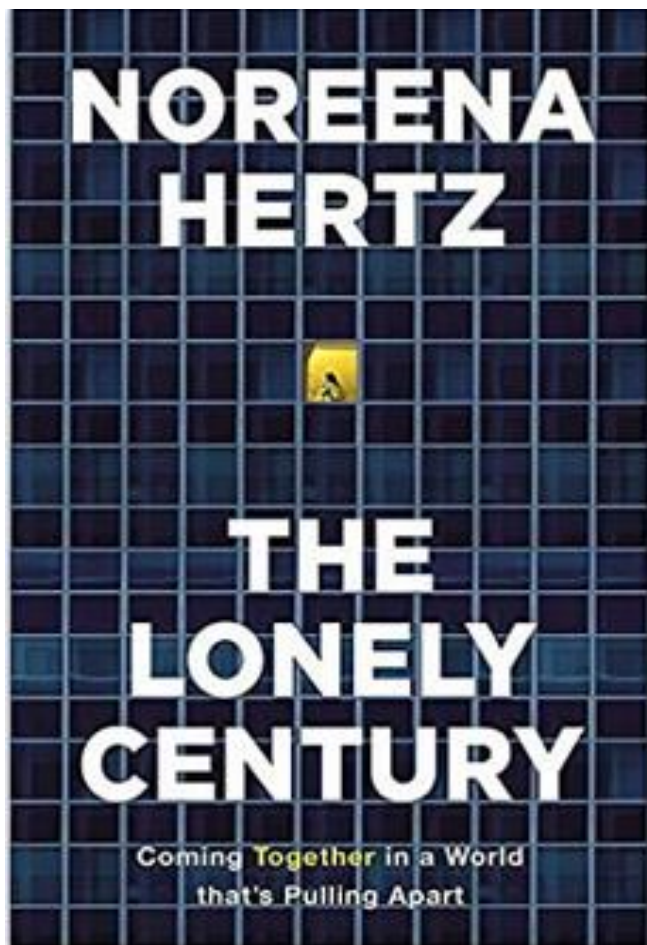


Top (marginal) tax rates have fallen everywhere



Noreena Hertz, *The Lonely Century:
Coming Together in a World that's
Pulling Apart*, 2020.

Noreena Hertz, *The Lonely Century*, 2020.



“The Nigella Lawson of economics”

...because she combines striking beauty with a formidable mind... ☹️

(some men economists, like Mark Carney, are called “rock stars”)

Noreena Hertz video presenting the book:

<https://www.youtube.com/watch?v=qHpxPKIKn9Y>

The loneliness pandemic

- Even before Covid, 3/5 US adults considered themselves as lonely
- Loneliness is worse for health than not exercising – equivalent to 15 cigarettes a day
- Before Covid, the cost to Medicare estimated at \$7 billion per year
- Loneliness is not just feeling the absence of love – but also feeling unsupported and uncared for by fellow citizens
- A disconnect from politics and politicians

Neoliberalism feeds national populism via loneliness

- 1980s – liberalism and freedom > marketisation

“Our culture of self-reliance and hustle, so valorised by neoliberal capitalism, comes at a significant cost.”

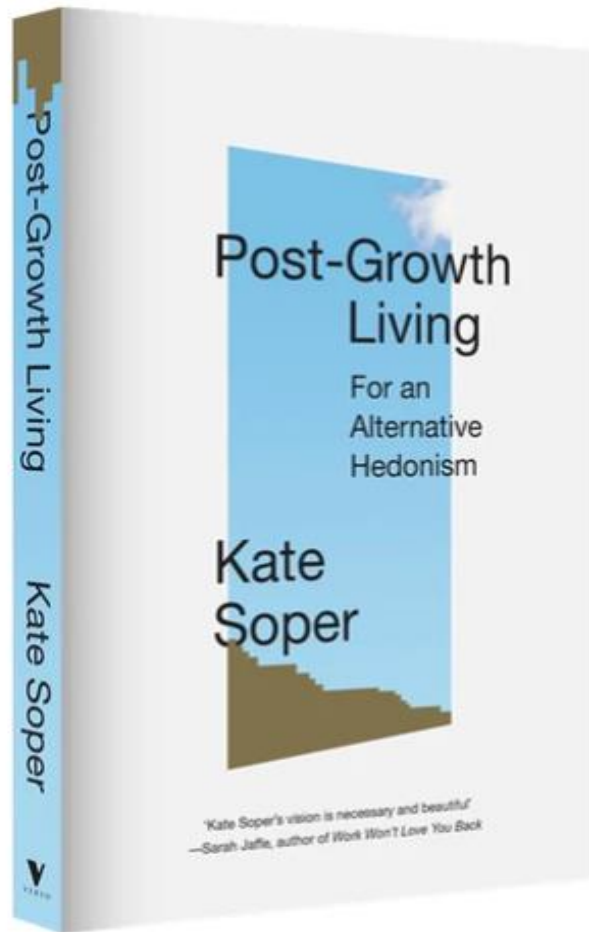
- Screens and social media > a “state of permanent connection that makes our phone and social media usage like nothing else in human history” > we are not present with those around us
- Alone at the office > less connected (hot-desking)

Political dynamite

- Hannah Arendt writing on *Totalitarianism* noted the link between loneliness and politics of intolerance
- Arendt “the experience of not belonging to the world at all... is ... the essence of totalitarian government, preparation of its executioners and victims”
- Loneliness feeds the politics of distrust
- Especially when combined with economic insecurity and loss of status
- Trump (and Le Pen) made/make people feel they were being heard, that they belong somewhere (manipulation)

Kate Soper, *Post-Growth Living: for an Alternative Hedonism*, London/New York, Verso, 2020.

Post-Growth Living



- Green technologies essential, will only go so far...
- Cultural revolution in thinking about prosperity, the abandonment of growth-driven consumerism

Today's mode of life

- Environmentally disastrous
- And unpleasurable, self-denying, puritanically fixated on work and money-making
- At expense of having time, doing more things oneself, travelling more slowly and consuming less stuff.

Greed for profit and power...

Gordon Gekko

Wall Street character



First

Wall Street (1987)

Greed profit and power has imposed a fossil fuel economy to the exclusion of eco-friendly alternatives

Since 1970, extraction of fossil fuels up from 6 bn tons to 15 bn tons per year.

The “[Greed is good](#)” speech by Michael Douglas in Oliver Stone’s *Wall Street*.

Alternative structure of satisfactions

- Exploration of less-damaging ways of enabling creative and non-monotonous lives
- New forms of ownership and control... over means of provision of consumption
- More self-provisioning, mending, making do, greener travel
- Less novelty – and fashion – to meet needs

Rethinking work

- Neoliberalism views work as the sole means of providing entitlement to social goods
- But “Through its theft of time and energy , the work and spend culture deters development of free thinking and critical opposition”
- Yet traditional work patterns under pressure

Challenges to work

- Soper quotes David Graeber on “bullshit” jobs – automation has not led to a 15-hour week (Keynes) but to pointless jobs: flunkies, goons, duct tapers, box tickers, and taskmasters.
- Covid has led to some reassessment and reorganisation of work
- Artificial intelligence

Takeouts

- Presentation of some women economists critical of neoliberalism, and capitalism
- They are not alone: the heterodox literature is extensive
- Also, Nicholas Stern (mainstream): climate change greatest market failure
- Search for less individualistic and more collective/community forms of provision
- Search for alternative ways of living