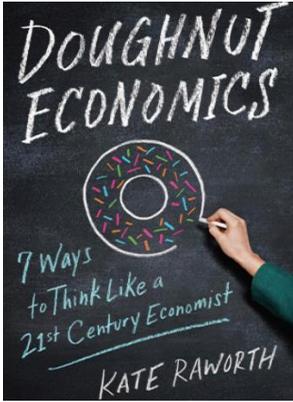


BOOK REVIEW-1

Ceren DEMİR*



Doughnut Economics: Seven Ways to Think Like a 21st Century Economist

Author: Kate RAWORTH

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This book, which we will examine, challenges the understanding of economic growth and the functions of the economy in the 21st century. The world continues to change, but economic theories are persistently pushing us to accept the same things. This book responds in the name of countless people who find it difficult to reject this pressure. The book's explanation of what it deals with, its criticisms and observations with a creative metaphor makes it easier to read and understand.

Seven ways to think like a 21st century economist are explained in the book. Before that, the introduction is done with the question "Who Wants to Be an Economist?". This headline addresses the disappointment of Yuan Yang who was

student at Oxford University in 2008. As a sensitive person with a global citizen perspective, Yang was beginning to drown in mainstream economic theories, because mainstream theories were far from focusing on real problems. On the other hand, Yang had started his education just as the global financial system was in free fall (the year of collapse in 2008) and it was actually a kind of "Wake Up" call. However, the authority in the classes was also far from addressing this. Addition to these, Yang was disappointed in a short time that the lessons, theories and the mathematics used to prove them were also based on narrow-minded assumptions. As Yang's dissatisfaction was increasing day by day, his teachers assured that he would get rid of all this unrest and troubles in the

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next stage of his education. However, the density of abstract theories began to increase in his master and the equations began to proliferate, let alone succeed in problems. Yang found out: **"Instead of questioning everything, you should master the materials in front of you."**

Recognizing the situation, the students either cooled off from the economy or accepted the system and mastered it and built lucrative careers with the skills they had by almost absorbing all of the theories. He soon realized that there were countless bored young people like himself who were overwhelmed by this dogmatic attitude. The student group, which gathered from more than 30 countries, saying that the world economy is in crisis, rebelled in 2014 exclaiming:

"The teaching of economics is in crisis too, and this crisis has consequences far beyond the university walls. What is taught shapes the minds of the next generation of policymakers, and therefore shapes the societies we live in ... We are dissatisfied with the dramatic narrowing of the curriculum that has taken place over the last couple of decades ... It limits our ability to contend with the multidimensional challenges of the 21st century - from financial stability, to food security and climate change."

This has shown us that the revolution in economics has begun. There are two ways this can be successful:

- 1) Tearing down old ideas,
- 2) The introduction of new ideas.

This is where the book offers its readers seven ways to think like the economists of the 21st century.

What are These Seven Roads?

1) Change the Goal from GDP to the Doughnut: How economics lost sight of its goal? Although the economists of the 20th century wanted to define economics as a science that studies human behavior, the shallow definition they summarized with "rational person" created only an irony. Students of the traditional economy, which claimed to be purified from values, but did not get rid of being a value-laden structure in essence that under the pressure.

A twenty-first-century compass: Here, the author explains the visual design that gives the book its name by putting on the table the approach that enables people to develop putting the GDP growth aside, while doing so, predicating on a more realistic and protective border for our world. What does this design? Let's discuss the figure below and the author's explanation of it.

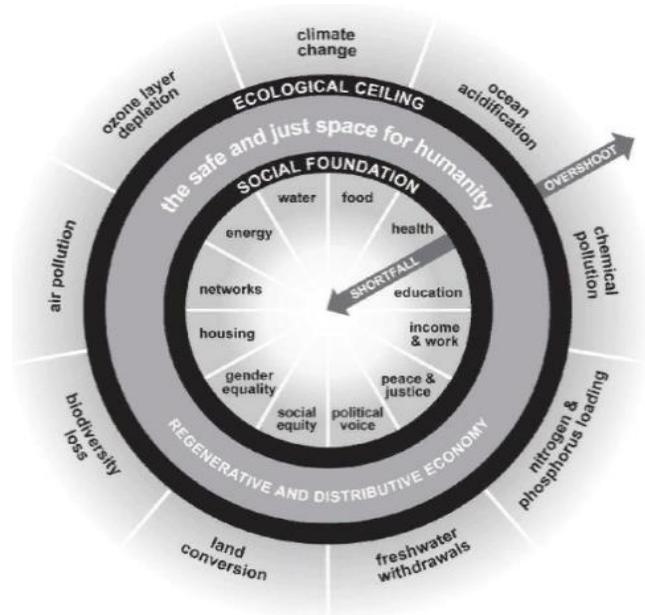


Image 1: The Doughnut: a twenty-first-century compass. Between its social foundation of human well-being and ecological ceiling of planetary pressure lies the safe and just space for humanity.

Kate Raworth explained to this creative idea in book with all details: Doughnut can provide all person's needs while safeguarding the living World. The Doughnut's social foundation lie shortfalls in human well-being, faced by those who lack life's essentials such as food, education and housing. The ecological ceiling lies an overshoot of pressure on Earth's life-giving systems, such as through climate change, ocean acidification and chemical pollution. But between these two sets of boundaries lies a sweet spot - shaped unmistakably like a doughnut - that is both an ecologically safe and socially just space for humanity. **The twenty-first-century task is an unprecedented one:** to bring all of humanity into that safe and just space.

Twelve basics include in inner ring: sufficient food; clean water and decent sanitation; access to energy and clean cooking facilities; access to education and to healthcare; decent housing; a minimum

income and decent work; and access to networks of information and to networks of social support. Furthermore, it calls for achieving these with gender equality, social equity, political voice, and peace and justice. Can we move from Unlimited Growth to Balanced Development? Can We Live in Doughnut?

- 2) **See the Big Picture**, from self-contained market to embedded economy
- 3) **Nurture Human Nature**, from rational economic man to social adaptable humans
- 4) **Get Savy with Systems**, from mechanical equilibrium to dynamic complexity
- 5) **Design to Distribute**, from 'growth will even it up again' to distributive by design
- 6) **Create to Regenerate**, from 'growth will clean it up again' to regenerative by design
- 7) **Be Agnostic about Growth**, from growth addicted to growth agnostic

Remember this when you read the seventh way: Agnosticism is a belief in philosophy which is related with determinism implicitly. Determinism is a philosophical view that recognizes that every event is the necessary consequence of a number of causes. According to this; everything that happens in the universe is predetermined, but is formed by some laws that require them to be. This mechanism, based on causality, is considered the order of the universe. There is no place for free will in this order, because everything in the universe, including the human mind, functions just like a perfect machine. In other words; Human behaviors, actions, feelings and thoughts are predetermined in accordance with the causality principle. In this case, it becomes impossible to talk about a freedom of will. When it comes to agnosticism again, it is mostly used about God's existence but it claims in itself that nothing or any idea can be known. In this

case, we'll modify it with the GDP actually. The author questions the situation for GDP and its exponential growth dreams by economists. She wonders that why nobody ask this: It will grow but until when? What will be happen next? She says in the book the trouble for economists who produce graphic below is the obvious question that is left hanging in the air with it: what happens next? **There are essentially two options.** Either the line keeps rising indefinitely, rapidly shooting up off the top of the page, or it must start to flatten out and eventually come to a level. For the mainstream economists, the first option is awkward, the second unconscionable.

To sum up, Kate Raworth queried extraordinarily oppressive understanding of economics with her book. She wants us to do it too. Or our planet which has been patient with humanity for centuries, will soon answer us in our style. But as Kate Raworth said, we still have luck.