

# The existential doughnut –



**towards an economics of  
scarcity and abundance  
for a happier and more meaningful life**



## Economics – the top of the news

The economy dominates the news and GDP dominates discussions of the economy.

But what *is* ‘the economy’ and what is it really *for*? Why is GDP the only number that counts?

The economy is classically defined as ‘the system of production and distribution and consumption’ and ‘management of material wealth’ relating to the ‘worldly necessities of life (especially money)’<sup>1</sup>.

But it now seems to be all about growth – despite the fact that ongoing economic growth threatens the planet’s life-supporting systems and makes us all, rich and poor alike – more miserable.

Today’s economy focuses on the transfer of money – and it’s a money-go-round that’s turned into a treadmill: ordinary people and businesses are struggling in a world that is getting faster and faster, less and less meaningful and more and more unequal and unhappy.

## What happened to our quality of life?

The economy treats us all merely as units of consumption and production: it doesn’t measure happiness and monetary indicators can not deliver happiness to people everywhere. As a result, we face three major crises: economic, ecological and existential. For example:

- at the peak of the boom in the late 2000s, people in the US were worse off than they’d been ten years before<sup>2</sup>
- one in six of us has too little to eat, but for the first time the obese outnumber the hungry
- we in the wealthy West are getting fatter, sicker and shorter and are now beginning to be younger at death: our children will be the first in the developed world whose children are likely to die before they do
- people all round the world are killing themselves with overwork or because they can’t get work
- the World Health Organisation has indicated that depression is the current health crisis – and anxiety is the next
- we have already overshoot several significant environmental thresholds, and human health is suffering as a result of local and global pollution of air, water and soil<sup>3</sup>
- water shortages have been flagged as the next cause of war, while scarcity of other resources and increasing cost is posing a risk to businesses
- the global economic meltdown has been succeeded by what is likely to be a long recession.

All these things have the same underlying cause – ongoing economic growth.

If we want a happier and more meaningful life for all the people of the world, we need to change the macro-economic model that rules our lives.

### ***Making money from misery***

4,000 books on happiness were published in 2008 compared with 50 in the year 2000; why we don’t have it, how to get it, how to get more, how to get more than your neighbour, how to keep it - questions that in the end make us more miserable.

Happiness economics understands and values the wider family, social, creative, spiritual, recreational and meaningful occupations (paid and unpaid) that really make us happy.



Clare Feeney is a sustainability strategist who helps organisations of all types grow their sustainability capability. She can help you grow jobs, increase profits and improve the environment – and have fun along the way! You can find out more at [www.clarefeeney.com](http://www.clarefeeney.com) and contact her at [clare@clarefeeney.com](mailto:clare@clarefeeney.com).

## Why do we need to change?

- widening social inequality is a risk to security and happiness<sup>4</sup>
- increasing consumption is necessary to fulfil the economic imperative for growth
- built-in obsolescence speeds up the exponential increase in resource extraction and waste generation that is seeing water, food, oil, metals and more become more scarce
- competition creates too many products and makes it too hard to choose amongst them – so we are less satisfied with the choices we make and become more miserable in the midst of plenty<sup>5</sup>
- people in poor countries must consume more to reach a basic standard of living, but we in the developed world consume too much, and there aren't enough resources on the Earth for us all to live like the average American.

### *The existential doughnut*

What's the defining feature of a doughnut? Yep - it's the hole in the middle. We consume more and more to fill the 'god-shaped hole in our hearts', as David Suzuki puts it. Even if you don't believe in God, the hole is still there. Our growth-based economic model tells us the more we cram into it the happier we'll be - yet all the statistics on wellbeing tell us that's wrong. Existential economics understands and provides for the fundamental human need for meaning in life.



## What can we do?

The quest for meaning takes many forms as people search for a happier lifestyle, such as:

- the slow food, locavore, farmers' markets, slow town and down-shifting movements, as people reduce their levels of consumption and seek to re-establish contact with nature and place
- the rise of religions of all varieties, as people try to connect with deeper values
- corporate social responsibility trends amongst businesses and other organisations
- the growing interest in developing genuine progress indicators such as those developed by Marilyn Waring and Ron Colman for GPI *Atlantic* that account for time use, living standards, natural capital, human impacts on the environment and human and social capital – not just GDP – and their adoption by agencies such as Anew New Zealand<sup>6</sup>
- moves to transform the 'industrial growth society to a life-sustaining' one, as Joanna Macy puts it
- transition towns that aim to move from oil dependence to peak oil resilience
- fostering the creativity and innovation that will allow everyone on the planet to lead a happy life in material as well as existential terms.

These and many other current and future moves are immensely positive. They affirm the value of the existential quest of the West, and celebrate the wildly varying choices we'll all make with the abundance of time and happiness that lower consumption will allow.

### *WE are what the economy is for!*

There has to be more to life... and there is! We work to live, not live to work - remember? But we can't just jump off the money-go-round: it's spinning too fast. However, we can transform it to head off the economic, ecological and existential crises we face. Existential economics understands the human need for meaningful activity in a social, spiritual, governance, economic and ecological framework that supports and celebrates the diversity and greatness of human aspirations.



<sup>1</sup> [wordnetweb.princeton.edu/perl/webwn](http://wordnetweb.princeton.edu/perl/webwn)

<sup>2</sup> Stiglitz Commission on 'The Measurement of Economic Performance and Social Progress', December 2000  
<sup>3</sup> Earth's Nine Lives. Fred Pearce, New Scientist No. 2749, 27 February 2010

<sup>4</sup> The spirit level - why more equal societies almost always do better. Richard Wilkinson and Kate Pickett, Penguin, 2009

<sup>5</sup> The paradox of choice - why more is less (how the culture of abundance robs us of satisfaction). Barry Schwartz, Harper Perennial, 2004

<sup>6</sup> <http://www.anewnz.org.nz>



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