

TOO4TO

SUSTAINABLE MANAGEMENT: TOOLS FOR TOMORROW



With the support of the
Erasmus+ Programme
of the European Union

PROJECT NUMBER 2020-1-PL01-KA203-082076

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TOO4TO MODULE 1

Introduction to Sustainability and Sustainable Management
Part 2



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Introduction to Sustainability and Sustainable Management – Part 2

Sustainability and Economic Activities: New Approaches



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Part 2 Content

New Approaches to Economic Activities: Some Examples

- *Doughnut Economics*
- *Prosperity Without Growth*
- GDP vs. Human Development Index
- Linear Economy vs. Circular Economy

Sustainability in Industries

New Approaches to Economic Activities: Some Examples

As seen in Part 1, economy is one of the three pillars of sustainability. Impacts of certain economic activities are direct causes of sustainability challenges -such as depletion of resources and pollution- which in return become the challenges of the economy itself.

Infinite economic growth, as depicted in traditional economic theories, started to be questioned more and more over the last decades, as it is not a sustainable path considering the **limits of the planet**. There has been a paradigm shift in how humans are to think about **growth, development and distribution of wealth**; and various new movements and approaches to economic activities have emerged.

“[W]e need to go beyond growth, to stop seeing growth as an end in itself, but rather as a means to achieving societal goals including environmental sustainability, reduced inequality, greater wellbeing and improved resilience. This requires updating the philosophy, tools and methods underpinning the analysis that influences economic decision-making. Drawing on developments across the modern field of economics and political economy, the report argues for a new approach which recognises the rootedness of economic systems and behaviour in the relationship between people, social institutions and the environment.” (OECD, [link](#))

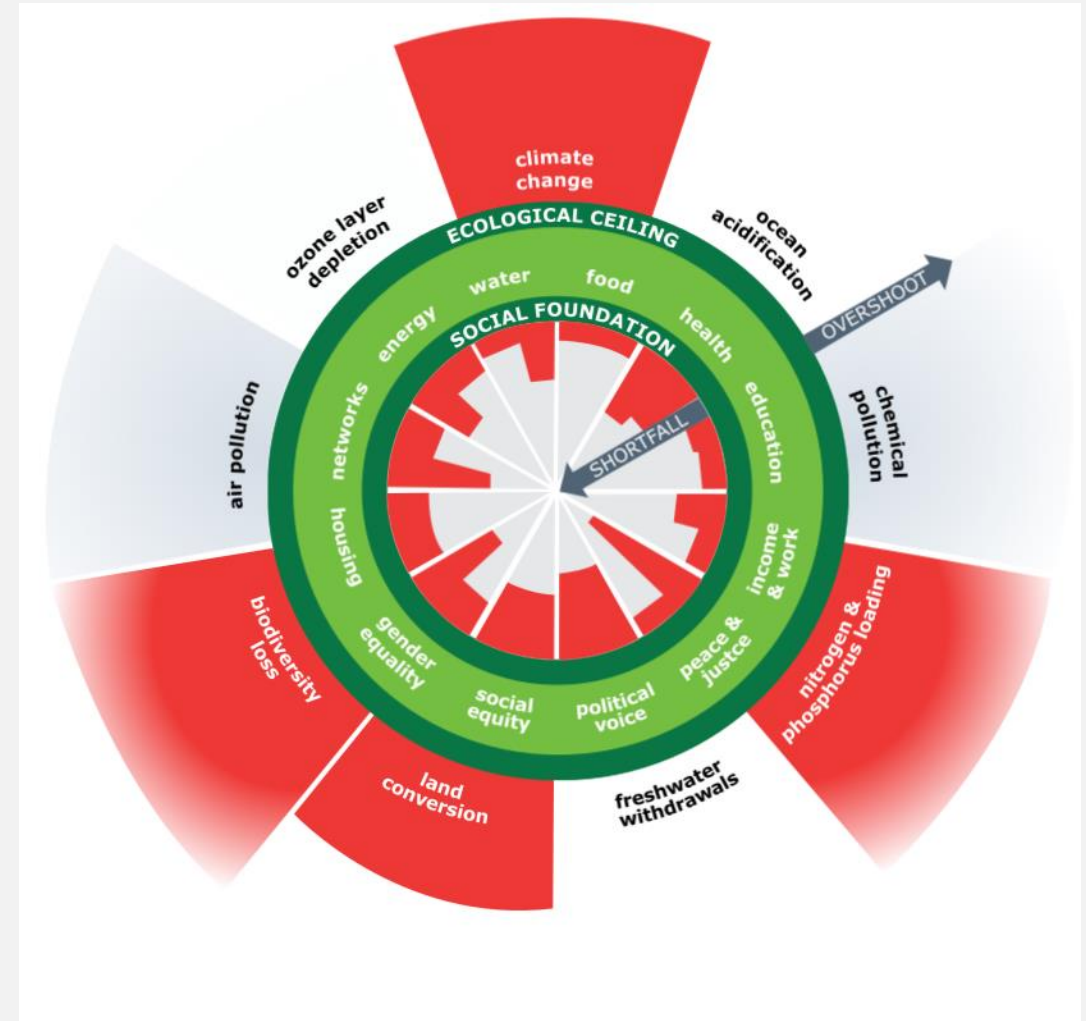


Doughnut Economics

Doughnut Economics, Kate Raworth

“Humanity’s 21st century challenge is to meet the needs of all within the means of the planet. In other words, to ensure that no one falls short on life’s essentials (from food and housing to healthcare and political voice), while ensuring that collectively we do not overshoot our pressure on Earth’s life-supporting systems, on which we fundamentally depend – such as a stable climate, fertile soils, and a protective ozone layer. The Doughnut of social and planetary boundaries is a playfully serious approach to framing that challenge, and it acts as a compass for human progress this century.” (Kate Raworth, [link](#))

Short Video: [1. Change the Goal - 1/7 Doughnut Economics](#)



Prosperity Without Growth

Prosperity Without Growth, Tim Jackson

“At the heart of Prosperity without Growth is the call for a new ‘ecological macro-economics’: an understanding of the dynamics of the modern economy that can also incorporate the reality of ecological and resource constraints. A critical challenge for this new approach is the need to ensure economic and social stability even as relentless growth in consumer demand is attenuated.” (Tim Jackson, [link](#))

Short Read: [Earth vs Growth | Economic Observatory Blog by Tim Jackson](#)

GDP vs. Human Development Index

Gross Domestic Product (GDP)

“is the standard measure of the value added created through the production of goods and services in a country during a certain period. As such, it also measures the income earned from that production, or the total amount spent on final goods and services (less imports). While GDP is the single most important indicator to capture economic activity, it falls short of providing a suitable measure of people's material well-being for which alternative indicators may be more appropriate.” (OECD, [link](#))

Human Development Index (HDI)

“was created to emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone. The HDI can also be used to question national policy choices, asking how two countries with the same level of GNI per capita can end up with different human development outcomes. These contrasts can stimulate debate about government policy priorities. The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living.” (UNDP, [link](#))

Short Read: [The Human Development Index – a better indicator for success?](#)



Linear Economy vs. Circular Economy (1/2)

Linear Economy

Take – Make – Dispose

In this model, raw materials are taken, transformed into final products, which are then used by the end-users until they are disposed as waste.

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For a more sustainable production and consumption approach, there has to be a shift from this “cradle to grave” model to “**cradle to cradle**” model, as brought forward by the authors Michael Braungart and William McDonough (William McDonough, [link](#)).

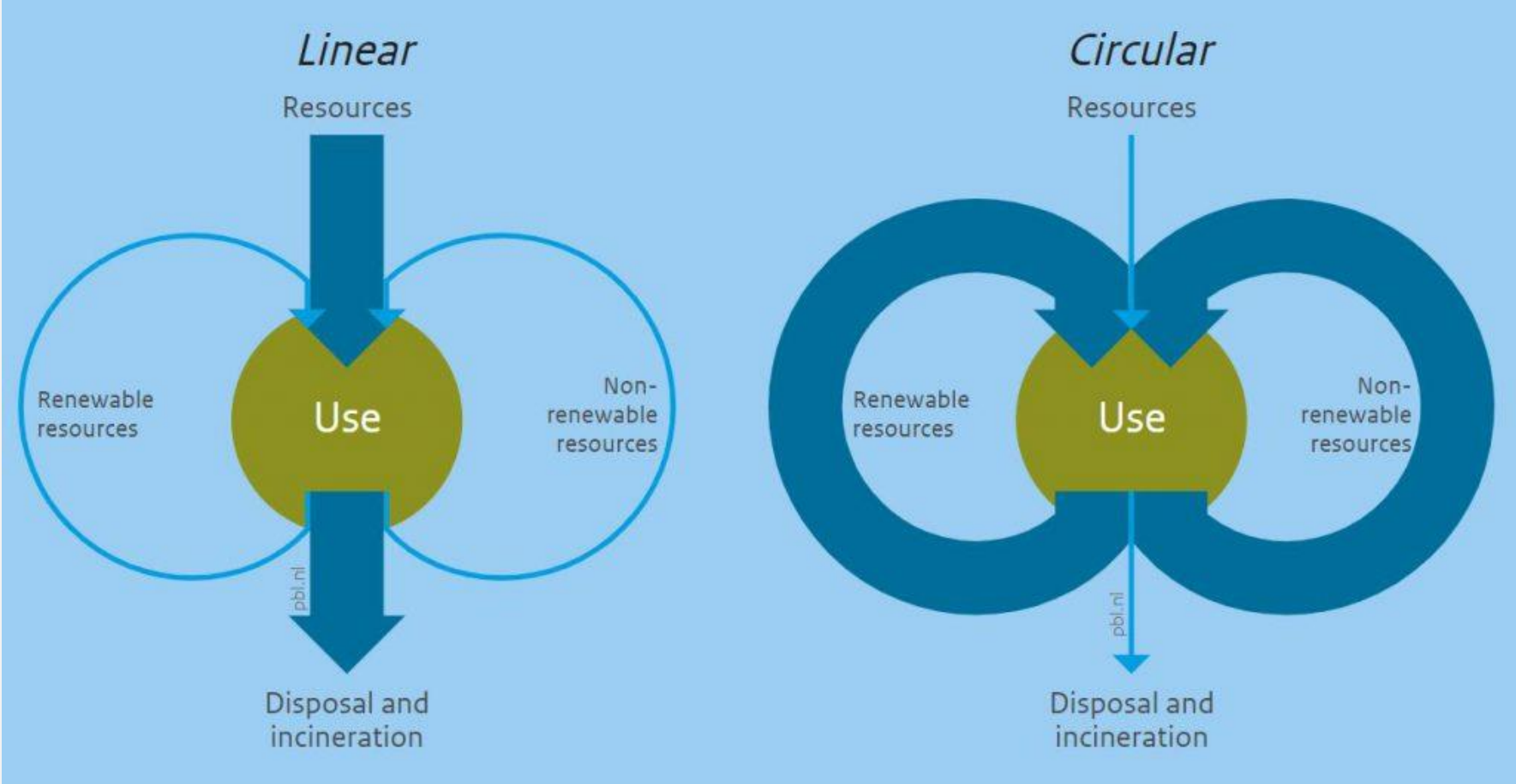
Circular Economy

This model, “involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended. In practice, it implies reducing waste to a minimum. When a product reaches the end of its life, its materials are kept within the economy wherever possible. These can be productively used again and again, thereby creating further value.” (EP, [link](#))

Short Video: [Circular Economy Explained](#)



Linear Economy vs. Circular Economy (2/2)



Sustainability in Industries

Understanding the industry-specific sustainability problems and solutions requires a deep look into the respective industry and the businesses and policies concerning it, which is a complex issue.

Looking into the industries which cause the most serious sustainability challenges or have the potential for generating innovative sustainability solutions, can give a general understanding of the topic in various sectors. A good source of cases and ideas in this context is:

SDG Industry Matrix (Global Compact, [link](#))

- [Financial Services](#)
- [Food, Beverage & Consumer Goods](#)
- [Climate Extract](#)
- [Healthcare & Life Sciences](#)
- [Industrial Manufacturing](#)
- [Transportation](#)
- [Energy, Natural Resources, Chemicals](#)

Short Read: [Which Industries Are Leading Sustainable Innovation in 2020?](#)

Short Read: [How these 5 key industries can advance sustainable development goals](#)

Short Read & Chart: [Emissions by sector](#)

Short Read & Chart: [Top 10 GHG Emitters](#)



Further Study Material Recommendations for Part 2 (1/2)

Books

- *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*, Kate Raworth (2017)
- *Prosperity without Growth: Foundations for the Economy of Tomorrow*, Tim Jackson (2017)
- *Sustainable Economic Development*, W.L. Filho, D.M. Pociovalisteanu, A.Q. Al-Amin (eds.) (2017)

Academic Articles

- *Comparing the Sustainable Development Potential of Industries: A Role for Sustainability Disclosures?*
J. du Plessis and W. Bam (2018) [\[link\]](#)
- *The Circular Economy – A new sustainability paradigm?*
M. Geissdoerfer and P. Savaget, et. Al. (2017) [\[link\]](#)

Documents / Reports

(These grey literature materials are for users' reference, and it is recommended to skim & scan them)

- [Beyond Growth: Towards a New Economic Approach \(OECD\)](#)
- [Growth Within: A Circular Economy Vision For A Competitive Europe](#)

Further Study Material Recommendations for Part 2 (2/2)

Videos (Lectures / Presentations)

- [MOOC | Jeffrey Sachs - The Age of Sustainable Development | Lecture 6](#)
Lecture 6: "Growth & Planetary Boundaries" (Chapters 1-5) – ca. 100 min. total
- [TED Talk: Kate Raworth: A healthy economy should be designed to thrive, not grow](#) – ca. 15 min.
- [TED Talk: Tim Jackson: An economic reality check](#) – ca. 20 min.
- ["Prosperity without Growth" – Tim Jackson presents his new book](#) – ca. 25 min.
- [TED Talk: Mariana Mazzucato: What is economic value, and who creates it?](#) - ca. 18 min.