

## **“We shouldn’t be afraid of involving businesses”: Doughnut Economics in Brussels**

**Article by Barbara Trachte, Benjamin Joyeux**

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Kate Raworth’s doughnut model is an economic theory designed to easily and intelligibly assess an economy’s sustainability. Visually represented in the shape of a doughnut, it combines the concepts of planetary boundaries and minimum social standards to measure economic performance. Major European cities such as Amsterdam, Geneva and Brussels, have adopted the doughnut model to guide their green transitions. Barbara Trachte, secretary of state of the Brussels-Capital Region, responsible for Economic Transition and Scientific Research, explains how Brussels is using the the model to set a new direction for the city region’s economy.

### ***Green European Journal: What made you decide to adopt the doughnut economics model in the Brussels-Capital region?***

**Barbara Trachte:** At the beginning of my term, in July 2019, we decided to rename the Brussels-Capital Region’s Ministry for the Economy as the “Ministry for Economic Transition” to really show that we were going in a different direction. It was about aligning economic development with our social and environmental objectives and trying to transform Brussels’ economy to make it environmentally and socially responsible. Before I got there, there were just a few piecemeal and one-off initiatives. Traditionally, climate and social goals have been considered economic externalities. It’s only recently that they have become a central issue.

Until now, looking at the economy hasn’t necessarily been a priority for Greens. Yet the economy is a huge factor in climate change. In 2019, with many years of experience in government behind us, we decided that it was very important to invest in this area too. The first thing that we needed was a theoretical tool. Regional development policies had some very comprehensive programmes to support businesses in the transition, but there was no overall vision or real consideration of environmental impacts. So we needed indicators, a compass for our government agencies. First of all, we wanted to conduct participatory research together with government agencies and the public, to find new indicators and to internalise what were once considered “externalities”. The book *Doughnut Economics* had just come out and it seemed appealing to us because it was very easy to understand. For once, we had a comprehensive picture of the environmental and social impacts of the economy and how to fully take them both into account. The biggest strength of the growth model that still dominates economics is that it’s a curve that everyone understands.

Doughnut Economics allowed us to explain our plan to government agencies so that they really grasped what we wanted to do.

**The BrusselsDonut project began development in 2020. How has the process gone since then, particularly in the context of the pandemic? What has it achieved concretely?**

We worked with the research non-profit [Confluences](#), [ICHEC Research Lab](#), government agencies as well as Kate Raworth and her team at the DEAL on the project. The first stage was funding the research, then working on a way of scaling down the doughnut to regional size. Once this stage was completed in 2020, amid the pandemic, the lessons learned enabled us to have a snapshot of the social and environmental impacts of the region's economy, and to produce guides on applying this theory to specific strategies.

Finally, we had a clear methodology for a business to assess its environmental and social impact, both in its local area and beyond, as well as a methodology for explaining this theory to Brussels' citizen-consumers. The core team was made up of a dozen people tasked with researching the methodology and writing the report. They went to see our government agencies, three businesses and members of the public. We would have liked to have reached far more people from the outset, but the pandemic made it difficult.

**When you're unfamiliar with the theory, the idea of a doughnut as a framework might appear gimmicky. Given that economics is seen as a "serious" subject, how were you and your doughnut idea initially received?**

To be honest, it was much better received than I expected. A few months after our coalition agreement, this idea of economic transition was in vogue anyway. In 2019, before the pandemic, the European Commission had, for example, just unveiled its Green Deal. Then the Covid-19 crisis really showed how fragile supply chains were in our globalised world. As Greens, we had long known that this system was no good for the climate or society, but pandemic illustrated that it wasn't even able to provide us with basic products like masks. Everybody realised that this globalised economy made our companies very vulnerable. And the current energy crisis, as well as successive scorching summers, have proven us right again. There was fertile ground.

**The doughnut model imagines an outer circle of planetary boundaries that cannot be crossed and an inner circle of social rights that must be respected. What did it reveal about the environmental and social conditions in Brussels?**

Unsurprisingly, Brussels exceeds a host of environmental limits. It was unsurprising because Kate Raworth had already applied her theory to typical "Global North" and "Global South" situations. Generally, in the North, we cross lots of planetary boundaries on the outside of the doughnut, but we do better on the inside by granting lots of social rights to citizens. In the South, it's the other way around. In Brussels, for example, we realised that the region was spending seven times its carbon budget. But the biggest surprise came from the social foundation, where we saw that we had gone into the red quite a bit inside our doughnut. This is partly explained by the fact that the targets for public services were set high by the citizens we consulted. Importantly, it demonstrated that need citizens if we are to meet their needs.

**Did the pandemic also lead you to rethink Brussels' economic model? Was there anything that surprised you or challenged your beliefs?**

Quite the opposite. The pandemic confirmed a number of our intuitions. In March 2020, when we needed to produce masks because we didn't have any left, the first businesses that stepped up came from the social and solidarity economy. Everything we've been saying for ages about resilience, the local economy, supply chains that don't depend on exploited Chinese workers etc. Well, it works! In this unprecedented pandemic situation, it was the businesses we've always championed that were the first to respond. While this period was perhaps a revelation for some, it was really a validation for Greens. The social economy model has pioneered the economic transition and has shown its resilience in a crisis, because it meets local needs with jobs that cannot be offshored.

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then it can stand the test of time.*

**Brussels is also an international city that is home to people, organisations and businesses with links throughout the world. Does BrusselsDonut address the impact Brussels has on other parts of the world?**

Yes, the big advantage of doughnut economics is that it includes everything in terms of impact in a local area and outside of it, too. In Brussels, if we just look at environmental impacts and we just focus on the city, we will be able to reduce our direct impacts. But in Brussels, over 80 per cent of our emissions are indirect and related to what we import for consumption (food, transport etc.). With doughnut economics, all of this is taken into account. This theory provides the tools that will enable these companies to change their business model, the way they work, as well as the products and services they offer. And this will allow us to re-orient our economic policy towards companies that have joined the transition or want to do so.

**What's your vision for a prosperous and sustainable future for the Brussels region? How will the region change and what will drive this change?**

We've updated our business support tools, such as help in developing business models, assessing impacts, finding new customers, etc. We also now have an [Economic Transition Fund](#) with a clear strategy as well as precise and dynamic criteria. It's no longer just about saying "yes, we'll fund you" or "no, we won't fund you", but rather "you're here at the moment, and if you go further this way, we'll give you more funding".

It's also about bringing back industries to Brussels, because it's mainly a service economy. We want more production in the city so that we're more resilient and diversified. In Brussels, we want to see more self-employed people, more women entrepreneurs and more companies setting an example socially and environmentally. We're heading in the right direction with lots of examples of Brussels businesses that are already there or making the transition.

But Brussels will never be a self-sufficient city. It's still a service economy (93 per cent of jobs) and will stay that way, which makes sense given that it's the capital of Belgium and Europe, with a wealth of connections and public and private institutions. As food self-

sufficiency is also very low, we'd also like more farming, but there's very little space.

We also have a community currency, the Zinne. We are helping this volunteer-led initiative to scale up by increasing the number of businesses that accept it, developing the electronic Zinne, collaborating with municipalities and boosting trade within the network. The Zinne is a tool for supporting the regional economy because it's spent in the local area, unlike the euro.

**The Brussels region has struggled to implement its sustainable mobility plan in some areas because of objections from residents unhappy about its impact on drivers. How can the region gain people's support and understanding when it comes to the transition? What could and should it do differently?**

Mobility policies are often met with resistance when they are implemented. And then, once the transition is complete and people have actually experienced the change, opposition disappears pretty fast. In the places with the strongest resistance in Brussels, this subsided fairly quickly in the end. In my own municipality of Schaerbeek, there was opposition to Good Move initially, but three months later it was gone. In the centre of Brussels, there's no longer any resistance either and things are going relatively well even though there have been major changes.

As for shop owners, for example, we have to take their needs into account. There needs to be support alongside implementation, otherwise opposition will remain. For example, Brussels has many new cycling lanes. For shop owner, this means their goods can be delivered within minutes by back than waiting for a van to get through traffic then double park to offload deliveries. The alternative mobility routes have thus helped soften opposition that was felt in the beginning.

**For you then, the best solution is to involve as many people as possible? Because Greens are often seen as preachy.**

I don't think we should expect to implement changes in, for example, mobility and have everybody onboard from the start. Regardless of the neighbourhood, behaviour change always scares people at the beginning. There are also shops that can't be supplied overnight by cargo bike. Change must always be properly supported then it can stand the test of time. Everywhere, cities that have pedestrianised their centre, like Bordeaux, saw lots of opposition but today it's a no brainer, including for shopkeepers.

**Greens have a very good understanding of planetary boundaries thanks to the work of the scientific community and international processes such as the COP events. Is the doughnut model a way of making their commitment to social justice just as fundamental to their approach?**

The doughnut model enables the link between social and environmental impacts to be clearly illustrated. It's therefore a powerful communication tool. It's crucial for Greens to talk more about the economy. We are very good on energy, biodiversity, mobility etc. On the economy, we have expertise that needs to be recognised.

There's no time to lose. If we want to achieve our climate objectives for 2030 and 2050, we

must work with businesses and encourage them to transition. I encourage Greens to make economic issues their own. We're more credible than people think. For example, I met two women in Strasbourg, France who work with businesses every day: Lyon Metropole Vice President Emeline Baume and Strasbourg Eurometropole Vice President Anne-Marie Jean. The three of us are doing the same thing in trying to get businesses in our regions to be more climate responsible, and the three of us are met with both opposition and openness.

What's happening with the Green Deal, with the European taxonomy, with the world of finance and the banks, with workers themselves... is creating a favourable environment. In Brussels, companies tell me every day that when they want to hire young talent leaving university while graduates are increasingly asking for information about firms' environmental and social impact.

We've now reached a point where we can accelerate things. Lots of businesses now believe that they have to act or else risk being hit hard by crises.

**What advice would you give a city or region considering trying doughnut economics?**

Participation really brings very nice surprises. We shouldn't be afraid of involving businesses. Every day I work with socially or environmentally responsible businesses, but also with big supermarkets. They are increasingly willing to engage and work with us, recognising our legitimacy and expertise. So we should adopt doughnut economics by involving as many people as possible, including the stakeholders who seem furthest away from us.



Barbara Trachte is a member of Ecolo. Since 2019, she is Secretary of State of the Brussels-Capital Region, responsible for Economic Transition and Scientific Research (competences delegated by Minister Alain Maron), and Minister-President of the Board of the French Community Commission (COCOF), responsible for Health Promotion, Budget, Family and Public Service.



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