



Conversation with Erinch Sahan

Ashley Hopkinson

May 8, 2024

Ashley Hopkinson: My name's Ashley Hopkinson, and I'm a journalist and manager for the Solutions Insights Lab. I'm here to talk to Erinch Sahan about Doughnut Economics Action Lab [DEAL]. Erinch, can you tell me about yourself, how you came to DEAL, and your role within the organization?

Erinch Sahan: My name is Erinch Sahan. I'm the business and enterprise lead at Doughnut Economics Action Lab. I came to DEAL to start the work of taking Doughnut Economics into the world of business. There's this concept called doughnut economics, which is about recognizing the two main boundaries within which we must create our economic system. There is the ecological boundary, which is an outer concentric circle composed of the nine planetary boundaries that earth system scientists have told us we must not transgress. This includes things like climate change, ocean acidification, and making sure the air is clean. Then there is the social boundary, or social foundations, which is the inner concentric circle composed of all the essentials of life like access to energy, food, livelihoods, and everything we need to live thriving and healthy lives.

Between these two boundaries, there lies a doughnut-shaped space. If the goal is to get into the doughnut, to live within the means of the planet, and meet the essential needs of all people within it, then that doughnut-shaped space becomes a compass for human prosperity.

Are we in that space? What does this mean for business and business models? The kind of enterprise designs, strategies, and actions that companies are taking to exist in that space are pretty profound, and I work on trying to drive those sorts of transformations in the world of business.

I came to this role two and a half years ago. Previously, I was the CEO of the World Fair Trade Organization. I also worked in Oxfam for a long time, in big business for a while, and in government, too. I've worked in different sectors, but I am always focused on what the world of business needs to

become and how we can transform businesses and companies so they create the social and ecological benefits we all need.

Ashley Hopkinson: How would you say your approach to wellbeing work is distinctive? I know you're bringing the doughnut economics concept to the world of business, but what do you think makes the organization's work within that space particularly distinctive? Is it the type of businesses that you're working with? How would you frame that?

Erinch Sahan: Firstly, the Wellbeing Economy Alliance (WEAll) are maybe the most important allies we have in this space. These are sister concepts. I've heard wonderful people in that community describe the wellbeing economy as a picnic blanket where lots of different concepts can come and take their place, and that includes Doughnut Economics as well as many other amazing concepts and ideas that are all pushing in the same direction.

What's distinctive about Doughnut Economics is that we know there are a whole bunch of actions and strategies that companies need to take, and we are able to focus on those. So if you are in fashion, we know you need to move away from fast fashion towards not just slow fashion, but fair and ethical textile production. If you are in agriculture, we know you need to move away from high-input, intensive mono-crop agriculture towards agroecology and regenerative farming. If you're in the built environment, we know you need to get towards much more ethical, retrofit models of manufacturing and construction. If you're in professional services, we know you need to get away from clients who are causing damage to the world. If you're in technology, we know you need to move away from single-use products toward modular, circular product design. We know all these things need to happen.

For decades and decades we've been celebrating incremental wins within the business world, but by and large, those big changes are not happening. According to research from the Circle Economy Foundation, the proportion of the total global economy that can be classed as circular is on the decline. In the last five years, there's been a huge level of enthusiasm for business sustainability, and everyone's embracing being regenerative, sustainable, ethical, fair, and circular. But in those same five years, where we're patting ourselves on the back and celebrating this great progress, we've used more resources and materials than the entire 20th century combined. The rhetoric is not being matched by action. Businesses aren't moving; they aren't acting.

At DEAL, we're looking at the why, which takes us into what we call the deep design of business and which, I think, makes our approach very unique. We work with the concepts of Marjorie Kelly, who's from the Democracy Collaborative and has written lots on the concept of enterprise design, looking at

things like the ownership model of business. Who owns it, and what are the incentives and limitations of that ownership? Then we look at the governance structure, and who's on the board. Which stakeholders are represented, and who has an interest? There's also the financial model, where we examine what finance expects from this business. What is it extracting? What is it enabling and allowing to happen?

We look at these deep design aspects of a business and think through how we might redesign a company that knows the right things to do so they are able to ambitiously pursue those strategies.

Suddenly, we get into the realm of converting businesses into employee ownership and looking at models like steward ownership, where a foundation or another organization has control of the governing rights of a company. We start looking at models of putting nature on the board as a representative, or new models of financial instruments that are alternatives to venture capital or private equity. We're getting to these structural elements and redesigning structures to enable businesses to execute those ambitious actions that they all know they need to take, but are held back from doing so.

Ashley Hopkinson: That's such a wonderful point. It takes a lot of deep work to do this kind of transformation. It might mean flipping the structure of your organization on its head, which is challenging for a lot of people. I'm wondering, is there a particular lab, incubator, product, or program that DEAL has created that is helping people to move the needle forward? How do people engage with DEAL to get that deep work done? How do you meet the people you're going to work with, and how do you work with them?

Erinch Sahan: We have a model where we create tools and resources that changemakers use to work with businesses. We ourselves do very little work directly with companies; most of our work is supporting a community of practice. There are two key components to this. Firstly, who are these practitioners? Who are the individuals and organizations using our tools? We make sure that they are value-aligned with doughnut economics and other parts of the new economy movement by asking them to complete a form where they look at their own design. They have to answer questions like, "How are we owned? How are we governed? Where are our priorities and what is our track record in the kind of work we do?" This makes sure that a lot of the mainstream companies and consultancies who might want to do some of this work, but who also do a lot of work that undermines this kind of change, aren't the ones that are driving it.

A lot of the big consulting companies are not the right organizations to be driving this effort because they're part of a system or propping up models and approaches that are undermining that change.

We've got over a hundred organizations listed on DEAL's website who've gone through this process of signing up and putting up a public declaration saying, "Hey, this is who we are, and this is what we're doing." For instance, Impact Hubs Global has put up that declaration, and now lots of impact hubs are using these ideas in their work. Organizations like the Specialty Coffee Association, which is a global network of coffee companies, are using our resources in their work with their members. We also have smaller consultancies, medium-sized consultancies, and organizations like the Circle Economy or Oxfam Novib engaging with our tools. There are a very broad range of organizations and individuals saying, "I'm signed up to use the tools of Doughnut Economics Action Lab and I want to use them with companies, and I want to help transform the design of companies." That's the who.

Now, we get to the what. What is it that they're using, or doing? They're identifying the big changes and transformative ideas that businesses need to pursue, and then identifying the design changes that are necessary to unlock and enable those strategies for actions to take place. We've created a workshop tool that people can find at doughnuteconomics.org. They can go to the thematic page for business and enterprise, or they can go to the tools site. There are a couple of ways to find it. It's open source, and it's in the Creative Commons, so people can go step-by-step and run a workshop. All the activity canvases are there. You can print them out as PDFs or you can run them online as a Miro version. All of that's provided. All the guidance is there, all the slides are there, all the example activities are there. You go through a step-by-step process, asking these questions of businesses to help them identify the bold ambitions and internal redesigns that they want to pursue in order to unlock those ambitious ideas.

We've created two versions of this. There's a longer five- to six-hour core version, and there's a shorter taster version that's about two hours. We're working with many different organizations that are implementing these workshops around the world. Dozens and dozens of workshops are happening and updating these tools and resources, so it's a real community of practice that has sprung up. These are people who are working with entrepreneurs, with business leaders, with worker organizations. We're even working with employee activists and investors who want to drive not just changes in the behavior of companies, but in the deep structures of those companies so that those behaviors are sustained and the companies are leaning into them with the highest level of ambition possible.

Ashley Hopkinson: What would you say is a marker of success for why that approach has worked? Do you think having the option of a five- to six-hour workshop has essentially given you a blueprint for deep work and made the tools successful?

Erinch Sahan: I think one of the things that is helpful is that we have done this work to give structure to the approach. We do this partly to guide people and help them, and partly to protect the integrity of

the concept. In the business world, if you don't protect the integrity of an approach, people might apply it in very shallow ways. They might use it for greenwash, or they might use it in a very gimmicky or underwhelming way, and that is not the space we want to be in. If people are going to work with doughnut economics and build the business according to those principles, we want them to be doing that in the most ambitious way possible.

The second thing is we're not prescriptive. This is a heuristic tool. It doesn't say do A, B, C, D. It's not a template for what your business needs to become. It throws the questions to you, and the burden of deciding what you should be doing to you, and then it helps you ask the right questions and hopefully, draws out a level of courage to put things on the table that might not be commercially viable, but that you know are the right things anyway, so you're eventually going to need to do them. We encourage you to put them on the table even if you're not going to do them today or tomorrow because that allows you to ask questions about what's holding you back. You might realize there are people on your board who don't represent nature, or who don't represent workers, or you might realize that all your profits go to shareholders. You might realize that if you reinvest 30% of your profits, it would enable you to make a transition in your business and become a regenerative business. Or maybe you'll see that in your ownership model, only external shareholders with short-term time horizons matter, and other people aren't getting any power or voice. Whatever it is, this process helps you understand what in the design of your company is holding you back, and what you need to do to redesign.

It also creates space for very diverse, very different, and very bespoke solutions that are based on the context of the business. It doesn't give you a label. You don't become a "this kind of business" or "that kind of business." It helps you explore your own ambitions and your own journey. That's a helpful contribution because there are some really useful existing models that are very aligned with this thinking, like steward ownership or employee ownership. There's a world of co-ops, which is phenomenal and deep-rooted, with lots of innovation happening. There's a world where very deep, transformative social enterprise is happening. These models exist, and new ones are popping up. Post-growth entrepreneurship and various other ideas and models like that are coming up. We tell our organizations, "You might use one of those, or you might use something different, but you decide yourself. We're not going to give you a checklist of things to do."

Ashley Hopkinson: I love that it's not prescriptive and that it gives space for self-inquiry and self-assessment, so you determine what kind of business you want to create and learn what steps you need to take to get to that level. What have you learned through this work? Are there any insights or teachable lessons from this approach to wellbeing economics that someone else could learn from?

Erinch Sahan: I think our name, Doughnut Economics Action Lab, is important because every word in our name describes something in addition to this core central framework of the doughnut and explains a little bit more about the dynamic of how we work. Firstly, there are the social and ecological boundaries and the doughnut-shaped space in between. That is our compass for human prosperity. Then there's the concept of doughnut economics and the question of how we get into that. What are the principles we need to follow? Finally, there's action because we need to take action. This isn't about scratching our heads and thinking; it's a lab because we need to experiment.

The other thing I would say is that in our work with businesses, in a space where there is a lot of greenwash, there are a lot of very big words being used by companies and business leaders to describe things that are very marginal, very incremental, or just old wine in new bottles, repackaging things that we're doing anyway or doing because they're convenient. There's an attitude of "Oh, we get a cost saving from doing this anyway, so let's package it up as a regenerative and sustainability innovation to push further than that." One of the things we push is to *not* start with things that are viable. If it's viable, do it anyway, but you don't need us. If it's viable, then you'll get finance for it. Neoliberalism already channels finance to high-return, highly profitable activities and to solutions that generate high profits. You don't need any systemic change for that, and we don't need to celebrate that. In fact, if you celebrate that, you're arguing against more deep-rooted change.

What we need to put on the table are all the things that don't happen, can't happen, and aren't viable. The things that are held back are the ones that we don't talk about because you sound a bit commercially naive if you say, "Let's pay three times higher prices to our suppliers so that their workers can earn enough to meet their basic needs." Talking about pricing in your supply chain in general comes across as commercially naive, and people won't talk about it because it will hit the bottom line immediately. They will look for every solution apart from paying enough to meet ecological and social needs in their supply chain, but we say, let's put that on the table.

I think it's important to have a sense of experimentation, bespoke-ness, and diversity on the one hand, and on the other, a sense that there are things here that we cannot wiggle away from. It's the inconvenient, difficult things that you need to put on the table, not the things where, even in the medium-term time horizon, you will make a high return on. We bring an insistence that we're not here to work on the easy stuff that happens anyway. Celebrating that's pointless. Celebrating that undermines a need for the change that will help the difficult things happen.

Let's focus not on where there's a business case, but on where there isn't a business case. That's the bit that's hard. I teach sustainability at Cambridge, and what I've noticed by engaging with my students over the last 12 years, is that the companies they come from have picked off the low-hanging

fruit in the first five years or so of their sustainability journey. They've done the easy bits, whether it's the cost-saving or reputational benefit or the market benefit, and now, the next bit is the really hard stuff. If all we do is make it seem like only the easy, low-hanging fruit stuff needs to happen, we won't make the necessary transformative changes that will enable the bigger changes that aren't happening. Those changes must happen, or we're going backward.

Ashley Hopkinson: That's a good point about putting the challenging things on the table. I was having a conversation with someone earlier around work with land trusts, and he basically said, "There isn't an infrastructure for what I'm trying to do." But that's the point, right? You're trying to work on the things that there isn't yet an infrastructure for because that's what you're really trying to move forward. What do you think leaders, decision-makers, and other practitioners can do to prioritize those challenging things and help push that big change forward? Where's the gap in the conversation?

Erinch Sahan: We need a couple of things. Firstly, I think we need a discussion about the structural shifts that are necessary. If we look at the way companies were structured in the 20th century, it's all been in service to finance. The only solutions that are allowed, sustainability solutions, regenerative solutions, or whatever it might be, are the ones that achieve maximum returns. We cannot put that straitjacket on our business world and our economy if we want a world that lives within the planetary boundaries and means of this planet. Anything that demands only those solutions that achieve maximum returns is a barrier, and we need to have the courage to restructure and redesign to avoid those barriers. Celebrating whatever appeases the system and works within the boundaries of the straitjacket it places on everybody is unhelpful.

The second thing is that, if you're working in the mainstream corporate world and you are not willing or able to question that structure of business and finance design, if you only work where there is or will be a business case, for maximum returns, then do so in a way that doesn't damage or undermine those who are working on more fundamental, transformative change. If you're giving off the impression that the incremental wins you're achieving are phenomenal and fantastic, and are going to lead to great change in our economy, then you're making the argument that we don't need to change anything about the system. We just need to get smarter about working within it.

The evidence overwhelmingly points to the fact that that's nowhere near enough. We need to have a redesigned model of our economy, and of our finance and business world, that is deliberate about creating ecological and social benefits. If it remains focused on optimizing for finance and being in service of finance, then we are going to cut away all the necessary solutions and actions that don't satisfy the right profit requirements. That's a real barrier to survival for our species and for this planet.

Ashley Hopkinson: Given the right support—and when I say right support, I mean the financing is there, the people are there—what would you like to see grow, expand, or change?

Erinch Sahan: I'd love to see new investment instruments. We worked with a phenomenal organization called Transform Finance, which did great work analyzing how you get finance and investment into alternative ownership enterprises. That's a term they use to demonstrate whether it's steward ownership, employee ownership, community ownership, or a hybrid of those that is emerging. How do you get the right kind of finance and investment? They found lots and lots of funds, and lots and lots of opportunities, so we need to get creative in designing finance to be adaptable for those kinds of enterprises and those kinds of organizational models of business. We also need to push for policies that are deliberate about shaping not just the way the market operates, but the very design of companies. You can apply a carbon tax, and that's fantastic. But we need to make sure we price in, to whatever extent possible, the negative externalities of companies at the moment so that those who are going further have a level playing field and are not disadvantaged from a cost perspective because they're incurring costs that their less scrupulous competitors aren't.

We need to regulate that, and we also need to make policy changes that restructure companies so that companies pursue these actions with authenticity and ambition. For example, in the US, UK, and a few other places, there have been changes to tax codes to make it easier to convert businesses into employee ownership. In the UK, you don't pay capital gains tax if you sell your business to your workers. In the last year alone, this has led to 37% growth in the number of employee-owned businesses in the UK.

In the US, there's been a similar increase in states where similar programs have been applied, things like deliberately putting a big proportion of public procurement spending into businesses that are social enterprises, worker-owned, employee-owned, community-owned, or renewable energy-based. We want to deliberately create funds that give those sorts of businesses access to finance, and to deliberately change the composition of the economy so that a greater number of the businesses that comprise it are alternative ownership enterprises.

Ashley Hopkinson: In the conversations I'm having around wellbeing economics, the idea of interdependency keeps surfacing. In order for this work to really gain traction, there needs to be a lot of collaboration. Do you find DEAL is also working a lot collaboratively? What's your take on interdependency and collaboration in general?

Erinch Sahan: My take is that it's absolutely critical, Ashley. I'm the only one who works on business at DEAL, so I work across 200 countries, in every sector. The only way I can work is with and through

other organizations. The process of supporting a community of practice, where these hundred-plus organizations use the tools and materials we've created to run workshops and events with companies and business leaders is the only way through which we have impact, to be honest. We don't have it ourselves. We have to design things that are helpful to the work of others. We also design things that support a whole host of other movements, whether it's cooperative, social enterprise, social economy, solidarity economy, steward ownership movements, or so on. We're trying to create materials that support all of that because there's a place for all those models to transform business design at a deep level.

We also have to work with allies who are pushing the same direction and make sure the work we do is relevant and helpful to their work, so that when I engage with the WEAll community, they recognize, "Ah! This is being shaped with our input, our parameters, and our strategic considerations." At the heart of everything that DEAL has created is the drive to make it a natural part of our allies' work. We design our work in a way that allows others to use, adapt, shape, and catalyze broader change.

Ashley Hopkinson: That's wonderful. You're working on systemic change that also helps other organizations work on systemic change. What would you say is the greatest challenge that you face in this work? And also, what is giving you the most hope right now?

Erinch Sahan: The greatest challenge is that, ultimately, when you pull on the thread of everything we've talked about, you end up at the design of finance—the parameters, expectations, and demands of finance, what attracts finance, and what doesn't attract finance. The most difficult thing is coming to grips with ways to open up discussions about the fact that we designed our financial system in the 20th century to serve a reality that was very different than our current reality, and whether you like it or not, is now irrelevant. We currently face very different challenges, and if you were starting up now, you would probably create a very different financial system with very different financial institutions and parameters. Catalyzing that kind of change in finance is the most important and most difficult thing, which is why I think a lot of people are focusing on how they can work within the boundaries and parameters that the financial system sets rather than challenging and trying to transform the financial system itself.

I understand why people are hesitant to do anything that goes outside the straitjacket of the global financial system, but we need to go beyond it. What gives me hope is that five years ago, I felt very alone in engaging with some of these ideas. I know others have been doing this work for so long, these movements have been around for so long, but I'm now feeling like it's spreading to new horizons. We're starting to see it everywhere. People are creating new funds to support employee and community ownership models and creating new initiatives to support the transformation to steward

ownership. The purpose industry, which just wordsmiths new purpose stuff, is becoming marginalized because the most substantive things that are happening now are happening in the ecosystem around the business world. That is starting big, difficult, and inconvenient conversations about how we will need to transform the structure of companies so they can do these big, difficult things that they're currently unable and unwilling to do.

Ashley Hopkinson: That's wonderful. Thank you so much.

Ashley Hopkinson is an award-winning journalist, newsroom entrepreneur and leader dedicated to excellent storytelling and mission-driven media. She currently manages the Solutions Insights Lab, an initiative of the Solutions Journalism Network. She is based in New Orleans, Louisiana.

** This conversation has been edited and condensed.*