

Policy for a Redesigned Economy

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Policy for a Redesigned Economy

Our current economic system operates on a fundamental logic of short-term profit maximization that drives unsustainable behaviour and accelerates resource depletion and climate crisis. In this project, we have identified the key barriers preventing businesses and society from making genuine leaps toward sustainable and circular business models but also levers that can help achieve the same.

This research project aims to visualize how our economic and financial systems work today, identify and understand phenomena that make change difficult, and identify the most effective leverage points where policy can find ways to drive transformative innovation. Through extensive stakeholder engagement with business leaders, finance professionals, policymakers, public sector representatives, and civil society, and complemented by a literature review, we've developed a comprehensive map of levers to stimulate change towards a sustainable system.

The hope is that the results – empowered by visualizations – will contribute to transformative policymaking that creates a sustainable, safe, and sound economy operating within planetary boundaries (the environmental limits within which humanity can safely thrive).

We arrived at no fewer than five sketches (and many versions of each) showing: (1) three actor groups and related phenomena, (2) the flower and flower bed metaphor, (3) the gardener metaphor,

(4) The arrow, levers and spheres of change, (5) the niche matrix.

The findings (and visualizations) act as a snapshot of how individuals engaged in the economy (and the topic of sustainability) view challenges and potentials. The “call to action” and report (both available online) will act as discussion material and springboard for further research and action.

KEY POINTS FOR POLICY

By reviewing the literature and undertaking interviews and roundtables with thought-leaders, we identified:

- Key phenomena that describe how (and why) today's economic system works the way it works.
- Levers for driving change.
- Niches (examples) of successes in the current economy.

There are no fewer than 26 levers for transition

We have identified 26 levers for transition and mapped them in four spheres. The levers are organized in relation to two perspectives of change:

What we as individuals can do **within the current system**, and how we can act to **challenge the current system**.

A selection of these levers are described in the next page.

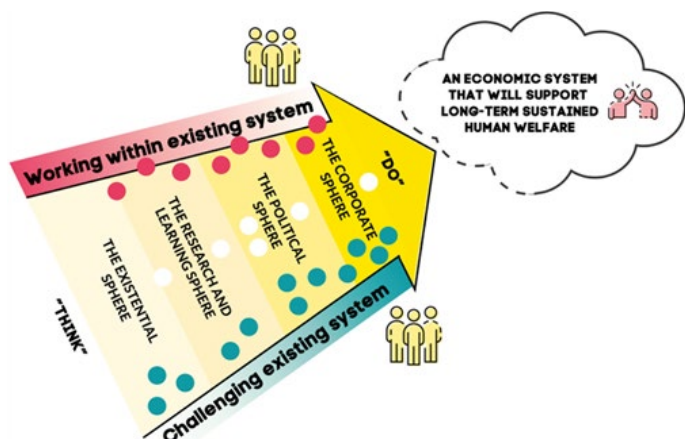


Illustration: RISE

LEVERS

Existential Sphere**Humans as guardians of creation**

- Make sustainability a moral imperative
- Frames environmental action not as technical policy but as fundamental questions of justice, care for future generations, and our responsibilities to each other.

Nature as our common heritage

- Nature as an asset shared by humanity, and all living beings on Earth.
- Present and future generations.



Illustration: RISE

LEVERS

Political Sphere**Tax shift**

Reducing income tax and introducing the taxation of consumed materials through VAT or similar.

Material authority

Responsible for research and knowledge development in the material/resource domain (in the same way that the Energy Authority is responsible for the energy domain).

Commercial space limitations

Limit advertising and consumption messaging that dominate public environments (also internet and social media being dominated by commercial tech giants and consumption-focused influencers), creating room for other values.

LEVERS

Research and Learning Sphere**Knowledge & awareness raising among politicians and finance and business sectors**

Politicians and economists often lack fundamental knowledge about our ecological crisis. We recommend that educational curriculum related to these occupations – ie. economics and political science – include more content in natural sciences and systems thinking, thus facilitating persons in these key roles to construct a sustainable long-term vision.

Include externalities in macro-economic models

Incorporate nature, energy and social systems into our economic system, not just as external factors. This includes exploring economic systems built on trust rather than debt-based money creation.

LEVERS

Corporate Sphere**Circular economy dominant business logic**

Based on sufficiency, high value retention, high utilization and regeneration of natural systems.

Corporate purpose redefined

Legally embed sustainability and social responsibility into corporate founding documents – as binding commitments that guide all business decisions.

Profit recirculated for humanity

Accepting lower profit margins when investments benefit society and environment. This means abandoning quarterly earnings obsessions, promoting cooperative ownership structures, and strengthening connections between sustainability performance and long-term profitability. Profit above the ceiling is recirculated and reinvested for the greater good into circular and sustainable businesses in the real economy.

THE ROAD FORWARD FOR POLICY

We recommend the investigation and pursuit of three levers in particular:

1. Shift taxes from labor to materials
2. Establish a Materials Agency/Authority
3. Raise knowledge among the public and specifically among decision-makers in politics, economics, and finance. We also call on everyone to use the levers to which they have access. With this in mind, we promote the idea of “campfires” to assemble and empower individuals and to foster intellectual and spiritual development within the population.

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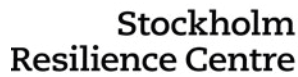
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MORE INFORMATION**Policy for a Redesigned Economy | RISE**

<https://www.ri.se/en/system-innovation/circular-transition/project/policy-for-a-redesigned-economy>

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