

## Urban Development Beyond Growth















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## **Executive summary**

This report, developed under the UNDP's Mayors for Economic Growth (M4EG) programme, presents a critical examination of traditional economic growth driven models of development. Using the urban transformations undertaken via the M4EG Portfolio Journey across the Eastern Partnership (EaP) region, the report advocates for a fundamental shift from a fixation on GDP-centric growth to more comprehensive approaches that prioritise human well-being, social equity, and environmental sustainability to enable the UNDP to continue to lead towards the sustainable development goals in cities across the world.

The report identifies three primary critiques of conventional economic growth:

Environmental Degradation

GDP growth severely exacerbates
climate and environmental degradation, and there is no evidence that this reality will change soon enough to avoid disaster.

#### Questionable Well-being Improvements

The evidence increasingly shows that beyond a certain point, GDP growth does not equate to better quality of life or enhanced well-being.

Ineffectiveness in Poverty Alleviation
Even the UN's own work on poverty
now points to the inadequacy of
income growth alone in tackling the
deep-rooted structural issues that
perpetuate poverty and inequality.

To overcome the limitations of traditional growth models, the report recommends a shift towards "postgrowth" strategies for urban development. Key recommendations include:

#### **Focus on the Foundational Economy**

Urban development should prioritise the foundational economy: services and infrastructure such as housing, healthcare, and education, which are crucial for long-term societal well-being. This approach requires a rethinking of public investment strategies to focus on these critical areas.

#### **Innovative Financing Models**

The adoption of dynamic portfolio management and other innovative financial instruments is crucial for supporting sustainable urban development. These tools enable adaptive management of resources, aligning financial flows with evolving needs and uncertainties.

#### **Community-Centred Development**

The report emphasises the importance of participatory approaches in urban planning, advocating for the active involvement of local communities in shaping the development processes that impact their lives.

#### **Redefining Success Metrics**

Traditional economic indicators like GDP are insufficient for measuring the success of urban development. The report suggests adopting alternative metrics that better capture well-being, social equity, and environmental sustainability.

#### **Adoption of New Methodologies**

Cities are encouraged to new methodologies, such as the UNDP's Dynamic Portfolio Management Approach, which encourage a shift from siloed to systemic thinking and a more experimental approach to addressing complex urban challenges.

The Portfolio Approach sits at the heart of the M4EG Portfolio Journey, a cornerstone of the UNDP's work in the EaP region. The remainder of the report situates the theoretical debate in the context of this programme, exploring how the innovative approach to urban development it takes may make it surprisingly well suited to delivering urban development beyond growth. The Portfolio Journey is a collaborative process that involves local governments, communities, and other stakeholders in co-creating development strategies that are tailored to the unique contexts of each city. Crucially, the approach moves away from isolated projects towards a cohesive, systems-oriented methodology that considers the complex, interrelated nature of urban challenges. Cities are encouraged to experiment with a variety of solutions, learning from failures as well as successes, and adapting strategies in real-time.

The report provides survey case studies from three cities and participants in the Portfolio Journey from across the EaP region— Ceadir-Lunga (Moldova), Areni (Armenia), and Mykolaiv (Ukraine)—each demonstrating the practical application of the UNDP Portfolio Approach and providing promising early signals that the programme has delivered a range of outcomes that extend far beyond traditional economic growth. These range from community cohesion and trust through to environmental sustainability, cultural heritage and optimism about the future, and present a promising case for dynamic portfolio management as a useful tool for alternative development practice.

### Introduction

Cities have long been considered the engines of national economic growth. They are home to more than half of the world's population-a number that is expected to rise to closer to 70% by 20501-and are already responsible for over 70% of global carbon emissions.2 This is not even to mention their vast amounts of natural resource use and other forms of ecological degradation, and their status as hotbeds of inequality.<sup>3</sup> But cities are also innovators, with their dense clusters of social networks, interactions and infrastructure being perfectly suited to incubate change and model new ways of living.4 This combination of huge impacts on people's everyday lives, on the nations around them and on the natural world, presents urban development practitioners with a unique challenge. Cities pose some of the most difficult questions around attaining environmental and social sustainability, and yet also some of the greatest opportunities for change.

The 'Mayors for Economic Growth' (M4EG) programme conducted by the UNDP's Istanbul Regional Hub with the financial support from the European Union has for almost four years been working on the question of sustainable and inclusive urban development across the Eastern Partnership (EaP) region. Working with cities across five countries across the EaP: Armenia. Azerbaijan, Georgia, Moldova and Ukraine, M4EG takes a 'hyperlocal' and whole-of-place approach to development by working closely with 'secondary cities' within each country. In a region facing new and shifting challenges at the intersection of geopolitics, economics and environmental change, the programme has sought to drive place-based innovation in service of localised change.

What has become clear over time is that addressing these challenges, and empowering cities to lead our increasingly urgent societal transformation, requires new approaches to urban development. Providing a good life for all within planetary boundaries in an ever more uncertain and unstable world challenges us to rethink both the "what" and the "how" of urban development. In other words, we must reconsider both the ends we are aiming for, and the means by which we achieve them.

When considering the ends of urban development, we may start with Amartya Sen's now commonly accepted insight that development is a matter of human capability and freedom.<sup>6</sup> This does not mean that structural economic change is not important.7 It is vital, and Sen himself has been the subject of criticism for overlooking the role of structural economic conditions in facilitating or curtailing freedoms and capabilities.8 However traditional approaches to economic change which have prioritised GDP growth as the singular instrument of transformation, without adequate attention to the conditions under which growth happens or its wider societal impacts, are inadequate. We are seeing a sea change in the theory and practice not only within development but within the field of economics more widely, along with many other related disciplines: the realisation that growth can no longer be relied upon as a panacea for all social challenges.

When considering the tools and methods we use to attain our ends a similar reconsideration is needed. Cities-themselves innately complex sites of diverse interactions, needs and stakeholders-are more globally connected than ever, and the world they are connected to is increasingly uncertain and unstable. In the face of global shocks and changing nations, tackling the interconnected challenges they face becomes all the more difficult; cities must balance the needs of environmental mitigation and ever more transformative adaptation,9 provide wellbeing while still driving innovation, and address local inequalities while navigating growing populations. Expanding the "what" of urban development to tackle these diverse challenges, making the necessary move beyond the blunt instrument of economic growth, means that traditional, linear approaches are no longer fit for purpose. Practitioners must be dynamic and adaptive, experimenting through uncertainty and responding to changing needs and conditions. Their methodologies need to match these requirements. The purpose of this study is to explore the implications of the beyond growth debate for the M4EG programme, EaP region and urban development practice as a whole. More widely, the team sought to understand whether changing the way we work with cities to an adaptive, portfolio driven way of working would help them achieve wellbeing and prosperity beyond traditional GDP growth. To address these questions, the report proceeds as follows:

The first section outlines the current state of the beyond growth discourse both at large and in the context of cities. It highlights the key arguments for why beyond growth approaches are needed and outlines some of the theories and concepts which have emerged in response to this need.

The second section explores the implications of postgrowth approaches for urban development, discussing some of the key constraints and considerations for pursuing postgrowth strategies before introducing the UNDP's framework of Dynamic Portfolio Management as a useful tool to support these strategies.

The third section gives an overview of surveying conducted across three participating cities in the UNDP Mayors for Economic Growth (M4EG) programme: Ceadir-Lunga in Moldova, Areni in Armenia and Mykolaiv in Ukraine. The survey data gives a preliminary overview of a range of outcomes extending beyond growth which have been observed in the cities over the past years of M4EG's operations. While more research is needed to make confident statements of transformation and causation, weak signals perhaps hint at more expansive changes taking root which transcend the narrow realm of economic growth.

# Attitudes to growth are changing

Economic growth–understood as an increase in the production of goods and services within an economy, and often measured in terms of increasing gross domestic product (GDP)–has at times throughout history driven huge increases in human wellbeing, with China being the paradigmatic example of this.<sup>10</sup> As a result, it has spent many years at the centre of the playbook for development practitioners. While there have been historic challenges to the logic of growth, most notably in the Club of Rome's seminal 1972 book 'The Limits to Growth',<sup>11</sup> these challenges failed to make a significant impact. In the present moment, this appears to be changing.

Questions over the centrality of economic growth in driving prosperity are not new, even in more recent times. 2008 saw the creation of the 'Commission on the Measurement of Economic Performance and Social Progress', bringing together some of the world's leading economists in Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi to explore beyond-GDP approaches to measuring human progress. Even the Sustainable Development Goals themselves should be considered a significant milestone in recognising the full richness of what matters for the planet and its people.

In the present day there is even more evidence that the tide is changing. Both the EU<sup>13</sup> and UN<sup>14</sup> have dedicated initiatives to going beyond GDP, and the president of the European Commission herself, Ursula Von Der Leyen, delivered the following words while speaking at 2023's Beyond Growth Conference:

It was Robert Kennedy back in the 1960s who famously said that GDP 'measures everything, except that which makes life worthwhile: the health of our children, or the joy of their play! And I am sure had he given his speech today, Kennedy would have included the sound of birdsong and the joy of breathing clean air. Today, on a very fundamental level, we understand Kennedy's wisdom. That economic growth is not an end in itself. 15

Meanwhile Demos Helsinki are working on projects funded by the likes of the European Commission<sup>16</sup> and Nordic Council of Ministers to explore the potential of an economics which transcends the fixation on GDP growth. And even the mainstream corporate actors such as the consultancy EY have acknowledged unsustainable growth as a source of environmental and social destruction.<sup>17</sup> In the context of urban development change is also afoot, particularly in Europe. Cities such as Barcelona, Brussels, Amsterdam and Glasgow have been experimenting with postgrowth models to guide their planning and policymaking,18 while the Postgrowth Cities Coalition brings together researchers and practitioners from across the continent to advance the state of the art.19

But for development practitioners arguably the most groundbreaking development in the beyond growth discourse has come recently from within the UN itself. Olivier De Schutter is the Special Rapporteur on extreme poverty and human rights for the UN Human Rights Council (OHCHR). On 1st May 2024 he delivered a report to the Council titled "Eradicating poverty beyond growth",20 and has published an accompanying book for mainstream audiences "The Poverty of Growth".21 What makes De Schutter's intervention so important is that he is not a political or economic radical. He is not even an economist, let alone from the heterodox schools more associated with beyond growth discourses such as ecological economics. Instead he is a respected legal scholar, who has been led to his conclusions on growth through his detailed work on extreme poverty under the auspices of the UN. What's more, he is particularly targeting growth as a tool for poverty alleviation in his critique, the area where even otherwise sympathetic figures insist that growth is still essential. This should be cause for development practitioners of all stripes to sit up and take notice. The evidence laid out above points to an emerging consensus around the limits and potential harms of GDP growth. The following section provides a more detailed overview of the critiques of growth.

# The critique(s) of growth

To understand why a growing consensus is emerging that we must go beyond growth, we must look at the critiques with growth. These can be divided into three broad but intersecting streams: those focused on the environmental damage of growth, those disputing the link between growth and wellbeing and those criticising growth as a lever for poverty alleviation. Note that as much of the academic work so far has focused on the national level these general explanations will reference national economies. A subsequent section will then be used to contextualise these findings in the context of urban development.

## Growth destroys the environment

Economic growth is destroying our environment. This is an unavoidable fact. To see this, we must understand the centrality of the concept of "decoupling". Decoupling refers to breaking the connection between economic growth and environmental impacts. It can be relative or absolute. Relative decoupling means that increases in economic output lead to smaller increases in environmental impacts, or that growth destroys the environment less rapidly than before. Absolute decoupling means that while economic output increases, environmental impacts decrease.

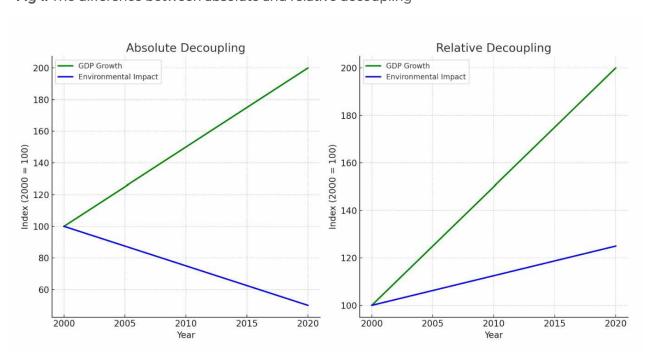


Fig 1. The difference between absolute and relative decoupling

Source: Generated with ChatGPT, July 2024

To get a sense of overall environmental impact, the two most widely accepted measures are CO<sub>2</sub> emissions and material footprint.<sup>22</sup> When we look at these measures together as products of consumption (i.e. accounting for embedded emissions in imports), we can see that no country in the history of measurement has achieved the absolute decoupling of economic growth from environmental impacts. Growth always and everywhere harms the environment. To quote the seminal research report 'Decoupling Debunked':

The conclusion is both overwhelmingly clear and sobering: not only is there no empirical evidence supporting the existence of a decoupling of economic growth from environmental pressures on anywhere near the scale needed to deal with environmental breakdown, but also, and perhaps more importantly, such decoupling appears unlikely to happen in the future.<sup>23</sup>

Even just focusing on the relationship between growth and carbon emissions-in full acknowledgement that this narrow focus on just one of the planet's nine planetary boundaries is insufficient if we are to take ecological sustainability seriously<sup>24</sup>-the picture is not much more optimistic. Only a handful of countries have achieved any sort of absolute decoupling from carbon emissions from economic growth. These countries are all extremely rich, and crucially are decoupling at a glacially slow rate from an already incredibly high emissions baseline. In a review of the performance of 36 OECD countries during the 2013–2019 period, researchers found that while 11 countries managed to achieve absolute decoupling between GDP increases and greenhouse gas emissions during the period, the pace at which they did so would imply an average time of 223 years to reduce their respective 2022 emissions by 95 per cent, by the end of which period they would have burned, on average, 27 times their respective remaining post-2022 national "fair shares" of the global carbon budget (if global heating is to remain below 1.5°C) in the process.<sup>25</sup> Even "success" cases are still emitting vast amounts of CO<sub>2</sub> as they grow, and are reducing these amounts far too slowly to get anywhere close to meeting their obligations under the Paris Agreement. And of course, for urban development practitioners not working in rich countries, these data points should be of even less solace; no low or middle income country has recorded any absolute decoupling of growth from carbon emissions.

A similar picture emerges if we only focus on material resource use as our singular measure. In an extensive review of the literature Varden et al. (2020) found no robust evidence of continuous international decoupling of economic growth from material resource use, let alone at the pace required by the sustainability transition.<sup>26</sup> The international focus of this (lacking) evidence is essential, as seeming cases of national dematerialisation regularly mask the offshoring of materially intensive activities elsewhere via importing. A similar conclusion is drawn by Hickel and Kiallis in their 2020 article 'Is Green Growth Possible',27 which again reviews an array of other studies on the topic. The authors find that while absolute decoupling of GDP growth from material resource use may be possible in the short term in certain rich countries via stringent policy measures and under highly favourable assumptions around efficiency gains, this is neither feasible at a global scale nor physically possible to sustain in the long term. This latter boundary of physical possibility relates to the physical limits that exist to resource efficiency; even under the best case scenarios of a circular economy it is simply impossible to be 100% resource efficient, and when the limits to efficiency are reached the continuing growth will inevitably drive material use back up.

These findings fly in the face of received wisdom that a combination of efficiency gains and a shift to a more service and technology driven economy will be sufficient to dematerialise growth. As mentioned above efficiency gains will always have limits, and meanwhile services have grown significantly as a proportion of world GDP in recent decades,28 while material use has not only increased but accelerated.29 Rather than a dematerialisation, we are seeing a rematerialisaiton. Finally it is worth noting the seemingly immateriality of advanced technologies such as AI and cloud computing are extremely materially intensive, relying on extractive mineral mining and heavy chemical use.30 Ironically this even applies to those technologies being touted as a means of addressing carbon emissions; electric vehicles, for example, have a far greater material footprint than those using traditional combustion engines.<sup>31</sup>

### Responding to common counterarguments

In the face of the reality outlined above, a number of counterarguments are often raised. This section responds to the most common of these, which usually involve some claim that even if decoupling is currently slow or non-existent, the pace of technological innovation can enable rapid and widespread leaps even in the short timescales needed. And technological innovation requires more, not less economic growth in order to be effective. These arguments rest on a number of false assumptions.

First, technologies such as carbon capture and storage (CCS) which often sit at the centre of green growth arguments are currently extremely expensive, slow to implement and unproven at the scale required for them to significantly impact carbon emissions.32 The concept of circular economy, which promises to support the maintenance, repair and reuse of material goods over their disposal is vital for the sustainability transition, but the use of circularity as a silver bullet which fully enables material decoupling under an otherwise business as usual scenario has been challenged.33 In their present form, leaning so heavily on purported 'circular' solutions risks propping up and justifying already unsustainable economic processes.34 And despite artificial intelligence (AI) has the potential to accelerate sustainability, if used ethically and responsibly, the technology has no present use cases in meaningfully advancing sustainability and is already causing harm to the environment.35

But even if technological innovations do enable us to operate our economies more efficiently, this still will not be enough. To see why, one can look to the Jevons Paradox.<sup>36</sup> The paradox identifies that when the use of resources (material, energy etc) become more efficient-that is to say we can produce more outputs with fewer input resources-resource use goes up instead of down. In other words the more efficient we become at using resources, the more of them we use. The mechanism of the paradox has been dubbed the 'rebound effect': efficiency gains reduce costs, which in turn stimulate demand and increase consumption. Rebound effects have been observed everywhere from energy systems<sup>37</sup> to circular economy improvements.38 While the Jevons Paradox and rebound effects raise concerns, they don't undermine the potential of green growth. Green growth isn't solely about efficiency; it includes renewable energy adoption, circular economy models, and sustainable business practices. Efficiency improvements without measures to reduce production and consumption appear in many cases to do more harm than good.

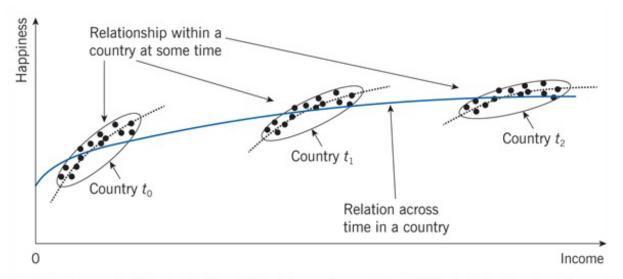
Finally, the notion that growth and innovation are inseparable should also be challenged. Growth based economies do quite obviously deliver innovation. But from this it does not follow that the only way to innovate requires growth. Moving beyond growth in the context of an overall economy does not mean that every sector stays static or shrinks. Some, such as renewable energy technologies, will likely grow while others, such as fossil fuel products or advertising, will shrink. Thus growth driven innovation can and will still happen, just at a sectoral level. If anything, reducing the resources devoted to harmful or unproductive activities will create more opportunities for funding and expertise to be channelled into more socially productive and ecologically sustainable sectors.39 Furthermore, as Mariana Mazzucato has powerfully argued, one of the most powerful tools for innovation we have is the public sector.40 While Mazzucato still very much couches her arguments in terms of growth, the claim here is that if we accept Mazzucato's premise that public-sector led innovation is highly effective then it can also be far more promising as a lever of generating innovation which is 'decoupled' from growth compared with the growth-centred dynamics of the market. Public actors such as states but also city and regional administrations can either themselves, or in partnership with the likes of academic institutions, orchestrate research into pressing problems such as ecological breakdown in a manner which does not by necessity have to be bound up with increases in production or consumption. In building purpose-driven coalitions and shaping incentive structures, public bodies can drive innovation in a way that is far less bound up with the dynamics of growth.

However more work is needed to unpack and fine tune the mechanisms of such innovation, particularly in more resource and capacity constrained contexts of much development activity. And whether the possibility of state-led innovation will become a reality under present conditions is another matter entirely. Nonetheless, the evidence on display shows that blanket assertions connecting growth and innovation are questionable at best.

## Growth is a poor means of improving wellbeing and quality of life ————

The second issue raised with economic growth is that, while it is invoked as a driver of human wellbeing it is in fact a very poor one. The diagram you see below illustrates what is known as the Easterlin Paradox, and while it's admittedly a topic of hot debate it's been observed across a large number of countries and through countless studies over time.<sup>41</sup>

Fig 2. The Easterlin Paradox



Note: In all three periods ( $t_0$ ,  $t_1$ ,  $t_2$ ,), higher individual income is associated with higher individual happiness (the dotted lines), but aggregate happiness does not rise along with aggregate income from  $t_0$  to  $t_2$ , (the solid line). Source: Clark, A. E., P. Frijters, and M. Shields. "Relative income, happiness and utility: An explanation for the Easterlin paradox and other puzzles." Journal of Economic Literature 46:1 (2008): 95–144 [4].

World of Labor

Source: Generated with ChatGPT, July 2024

The paradox shows that while rich people within countries are happier than their poorer counterparts, over time aggregate happiness across a given country doesn't really increase with GDP. The exact numerical thresholds to observe this effect are debated, and depend significantly on the data and analysis methods used. However, to take some illustrative examples, a study from the University of Warwick shows that after a purchasing power adjusted GDP/capita of around \$20,000, the relationship between GDP and happiness becomes far more scattered, before definitely flattening at around \$30-35,000 and then turning negative from thereon.<sup>42</sup> Elsewhere in their book 'The Spirit Level', Wilson and Pickett place this threshold for the beneficial effects of higher GDP per capita at \$25,000.43 Now these figures are not nothing, but they're far less than we might imagine. To put them into context, the latest World Bank Data put's Georgia's purchasing power adjusted GDP/capita at a close to \$25,000 in 2023.44

A reasonable response to this discussion would be to point out that subjective wellbeing is not the only metric that matters. Particularly in the context of development, outcomes across fields such as education and health are arguably just as if not more important. Surely growth is essential here? The answer is again far more complex. First we should acknowledge the now widely accepted insight from feminist economics that our singular focus on measures of economic growth renders invisible many facets of what makes life worth living, including the essential unpaid care work-mostly conducted by women-which is fundamental to the very fabric of our societies and our lives. 45 Even in areas such as health and education, while on average higher levels of GDP per capita do correlate with better outcomes in these areas, there are notable exceptions.

A number of regions and countries have managed to achieve outsized results in an array of human development outcomes at far lower levels of economic output than we would expect. Meanwhile there are a number of extremely wealthy countries who perform rather poorly.

For example Cuba's life expectancy at birth in 2022 was 79.2 years despite having a paltry GDP/capital of 10,600 USD (adjusted in PPP\$2017), while the USA and UAE-two of the richest countries on the planet-only managed to achieve rates of 78 and a mere 73.4 respectively. This is despite the USA's GDP per capita sitting at 65,700 USD and the UAE's at 74,300 USD.46 For over 7 times the wealth of Cuba, the UAE achieves significantly worse health outcomes. Similarly in education, based on harmonised scores from student attainment tests Vietnam has managed to achieve better learning outcomes than the USA despite being almost 6 times poorer.<sup>47</sup> Meanwhile Europe's best school system is acknowledged to be found in Estonia,49 a country whose GDP per capita sits firmly below the EU average.<sup>50</sup>

These examples are not intended to present Cuba or Vietnam as flawless utopias. Both certainly have their fair share of struggles, problems and injustices. But they do provide a compelling reason to question that the correlation we see between higher levels of GDP per capita and human development outcomes is entirely causal. Of course more money allows for investment in the essential public services required for a good life, but again these outcomes are better understood as outcomes of policy decisions rather than wealth increases alone.

## Growth is a poor lever for alleviating poverty

This final point brings us to the final and most recent bundle of critiques, associated with the work of Olivier De Schutter.50 Now it is important to emphasise here that critiquing growth in the context of poverty alleviation is not a claim that growth has no role to play in helping the poor. De Schutter, along with all others in the field, emphasises that growth can have a useful role to play in poor countries, providing the grounds for important investments as outlined in the section above. Growth has in many cases been fundamental to lifting large numbers of people out of dire conditions, as shown by the case of China referenced prior. However just because growth can work in this way, it does not follow that it is everywhere and always the best tool for the job, especially in light of its severe environmental harms. Further growth is not a monolith; what grows, how it grows, and how the proceeds are distributed all matter significantly. A focus on the blunt instrument of growth alone can lead to a fixation on strategies which are unhelpful and even outright harmful to poverty alleviation, while carrying huge environmental costs.

De Schutter points to the phenomena of jobless and extractive growth as core instantiations of this issue. In case of "jobless growth", growth in GDP is not correlated with associated increase in employment, and thus fails to provide proper livelihoods to large swathes of the population who need them. This can often be the case where growth is driven by low employment sectors generating outsized economic returns, with technology and financial services being the paradigmatic examples. De Schutter points to the tiny 0.34 correlation between economic growth and the employment rate since 2012 across the OECD as an example of this,<sup>51</sup> while elsewhere economist Dani Rodrik has spoken of contemporary capitalism's "good jobs problem".52 Meanwhile, much economic growth in low and middle income countries in particular is extractive, relying on exploiting natural resources and often also low wages and labour standards. These dynamics are brought into even starker relief by evidence of unequal exchange between the global North and global South; a recent analysis found that in the year 2015 alone the North:

[N]et appropriated from the South 12 billion tons of embodied raw material equivalents, 822 million hectares of embodied land, 21 exajoules of embodied energy, and 188 million person-years of embodied labour, worth \$10.8 trillion in Northern prices – enough to end extreme poverty 70 times over.<sup>53</sup>

This growth is thus neither environmentally nor socially sustainable, and in many cases creates more social harm than good for poor populations, significantly outweighing the superficial benefits garnered from free trade which in reality is often anything but free. Another fundamental issue with growth as a poverty alleviation strategy stems from its poor ability to tackle social inequalities and the issue of relative poverty. Even if the bottom segments of society are made somewhat richer by growth, they are still relatively worse off compared to those who benefit more. Without extensive redistribution, the raising of the bar of consumption expectations can worsen social exclusion. Notably, the comparative nature of interpersonal assessments is also one of the major hypothesised mechanisms underlying the Easterlin Paradox described above.

What's more, growth can also make a number of basic services less accessible. Whereas poorer societies might traditionally rely on more community driven and accessible models of ownership, access and service delivery such as commoning, growth often encourages privatisation and commodification in areas such as health, education, transport, agriculture and access to natural resources. If the underlying models which govern life's key pillars shift based on a presumption that those accessing them can afford to pay, then those who still cannot may end up even worse off than before. In the context of urban development we can note the issue of urban deprivation; a combination of factors-including using income based measures of poverty-mean the urban poor are often considered better off than those living in rural poverty. However a multidimensional view uncovers that those at the bottom of society in urban areas (themselves often far more unequal than in rural areas) face uniquely dire conditions, and are often just as if not more excluded from the fundamentals of a good life.54

## Responding to the critique: going 'beyond growth' —

In response to the issues outlined above a range of concepts, frameworks and intellectual schools have emerged. These are a diverse mixture both thematically and in their level of mainstream acceptance. Some, such as the push to move beyond GDP as a metric of economic progress, have already been taken up by the likes of the EU<sup>55</sup> and UN.56 Meanwhile the idea of a 'Wellbeing Economy'57 or the now famous 'Doughnut Economics<sup>58</sup> models have been taken up by governments and cities across the world. Even more controversial themes such as postgrowth-the idea that we should restructure our economies to move away from our fixation with growth-and degrowth-the idea that only a planned reduction in economic output will sufficiently address our ecological crisis-are increasingly prominent in both public and policy discourse.59 A brief overview of the former two frameworks is offered below, while a more detailed overview of the key concepts and theoretical schools related to the 'beyond growth' umbrella, see Annex 1 at the end of the report.

#### **Wellbeing Economy**

"A Wellbeing Economy is an economy designed to serve people and the planet, not the other way around. Rather than treating economic growth as an end in and of itself and pursuing it at all costs, a Wellbeing Economy puts our human and planetary needs at the centre of its activities, ensuring that these needs are all equally met, by default.

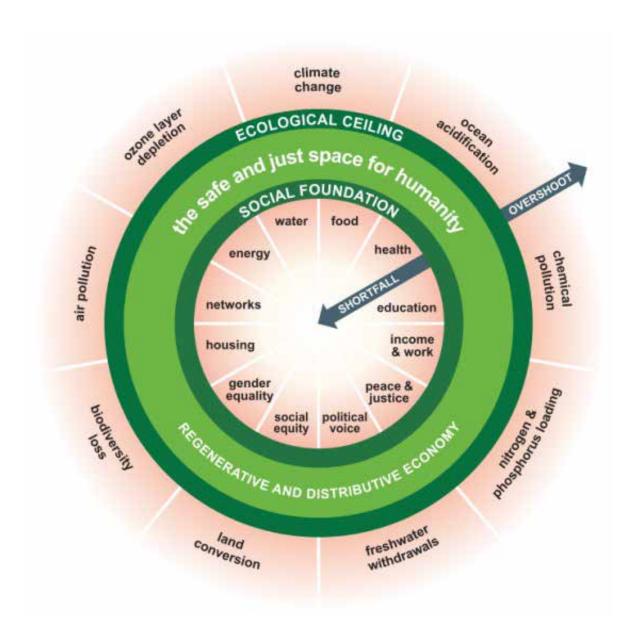
In a Wellbeing Economy, our definition of societal success shifts Beyond GDP growth to delivering shared wellbeing. This involves a fundamental systems change. A good economy is when the rules and incentives are designed to ensure everyone has enough to live in comfort, safety, and happiness. When people feel secure in their basic comforts and can use their creative energies to support the flourishing of all life on this planet."

**Source:** Wellbeing Economy Alliance (WEALL): 'What is a Wellbeing Economy', https://we-all.org/what-is-wellbeing-economy, Accessed September 2024

#### **Doughnut Economics**

"The starting point of Doughnut Economics is to change the goal from endless GDP growth to thriving in the Doughnut....

The Doughnut consists of two concentric rings: a social foundation, to ensure that no one is left falling short on life's essentials, and an ecological ceiling, to ensure that humanity does not collectively overshoot the planetary boundaries that protect Earth's life-supporting systems. Between these two sets of boundaries lies a doughnut-shaped space that is both ecologically safe and socially just: a space in which humanity can thrive.



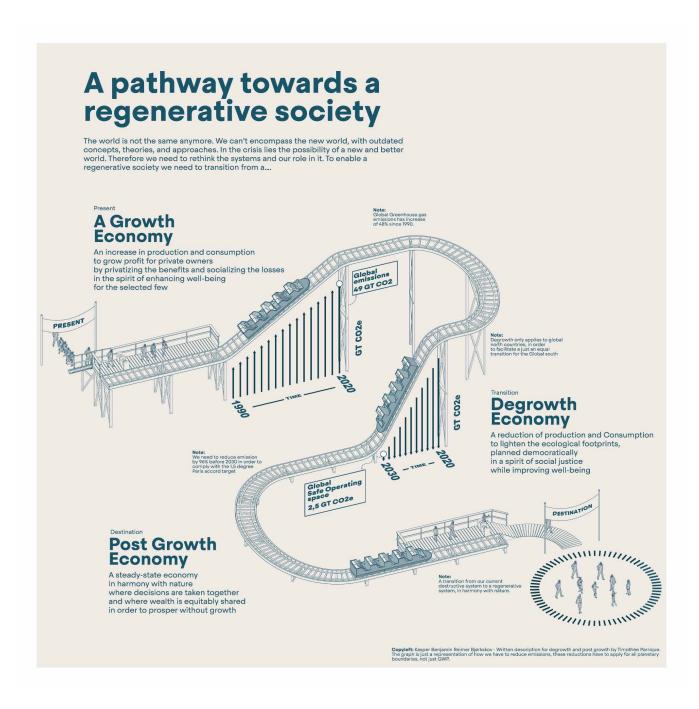
#### The Doughnut of social and planetary boundaries

**Source:** Doughnut Economics Action Lab (DEAL): About Doughnut Economics, https://doughnuteconomics.org/about-doughnut-economics, accessed September 2024

#### **Postgrowth**

An umbrella term for all schools of thought which advocate for moving beyond an economic model which places endless economic growth at the centre of our economies. It is a broad approach, covering many diverse strategies or agendas for how to realise it. Doughnut Economics and the Wellbeing Economy are examples of postgrowth approaches.

**Fig 3.** Illustrative graphic outlining the connections between growth based, degrowth and postgrowth/steady state economies



#### Case Study 1

#### **Amsterdam's Doughnut Economy**

Amsterdam has garnered significant attention for its innovative implementation of the doughnut economy framework. The city's use of the model began in earnest in 2020 when it adopted the doughnut economics approach as a guide for its post-COVID-19 recovery plan. This marked the first major city to fully embrace the doughnut framework, aiming to create a thriving city that respects both planetary boundaries and social foundations.

Amsterdam uses the doughnut model to integrate sustainability and social equity into its urban planning and policies. The city has undertaken various initiatives to reduce carbon emissions and promote circularity. One significant intervention has been the promotion of circular construction practices such as mandating the use of recycled materials in new buildings and renovations. Amsterdam's Circular Economy Action Plan outlines specific goals and measures to transition key sectors like construction, food, and consumer goods towards circularity. By doing so, the city aims to create economic opportunities that do not compromise ecological integrity.

In another area of local economic policy,
Amsterdam has used its 'City Doughnut'
model to guide a strategy for fostering social
enterprises and supporting small and medium-sized enterprises (SMEs) that contribute to
social and environmental objectives. The city's
economic policies include financial incentives
and support programs for businesses that
align with doughnut economics principles.
These initiatives are designed to stimulate
innovation and entrepreneurship in sustainable business practices, ensuring that economic growth does not come at the expense of
social equity or environmental health.

Elsewhere, Amsterdam has incorporated the doughnut into its spatial planning by prioritising projects that contribute to social well-being and environmental sustainability. For instance, the redevelopment of the Buiksloterham area, a former industrial zone, is being transformed into a circular, climate-neutral neighbourhood. This project reflects the doughnut principles by integrating affordable housing, green spaces, and sustainable infrastructure, ensuring that development benefits both people and the planet.

Amsterdam has also implemented policies to encourage sustainable transportation. The city has invested heavily in expanding its cycling infrastructure, making it one of the most bike-friendly cities in the world. Amsterdam's long standing successes around cycling has been further supported by measures such as car-free zones, expanded bike lanes, and incentives for electric vehicle use, contributing to a significant reduction in greenhouse gas emissions.

For measurement, Amsterdam has developed new metrics and indicators based on the City Doughnut model to assess progress towards its sustainability goals. Traditional economic indicators are supplemented with measures that capture social and environmental well-being. The city uses a dashboard that tracks a variety of indicators, including carbon emissions, air quality, housing affordability, and access to green spaces. These indicators—which cover the city's global impacts as well as local ones—provide a holistic view of the city's performance and help identify areas where further action is needed.

Social equity is another critical pillar of the doughnut economy strategy. Community members are involved in decision-making processes wherever possible, ensuring that the voices of marginalised groups are heard and considered. This participatory approach has led to the development of local projects aimed at improving neighbourhood liveability, such as green spaces and community gardens, which enhance social cohesion and provide residents with access to nature.

To ensure accountability and transparency, Amsterdam also regularly publishes reports detailing its progress in implementing the doughnut model. These reports provide insights into how well the city is balancing social needs with ecological limits and highlight successful initiatives as well as areas for improvement. The city also engages in dialogue with residents, businesses, and other stakeholders to gather feedback and collaboratively refine its strategies.

One notable outcome of Amsterdam's adoption of the doughnut economy framework has been the increased awareness and engagement of its citizens in sustainability issues. Educational campaigns and public workshops have played a crucial role in fostering a culture of sustainability, encouraging residents to adopt environmentally friendly practices in their daily lives. This grassroots involvement has been instrumental in the success of various city-wide initiatives, as community support and participation amplify the impact of policy measures.

# What does this mean for urban development and the Eastern partnership?

## Beyond growth does not mean no growth in every case ——

The first point to re-emphasise is that going beyond growth does not mean that economic growth must somehow be forcibly restricted. Given the huge gulf between the world's richest countries and even the middle income countries of the Eastern Partnership, let alone the world's poorest countries, such constraints would be seriously unjust. This is particularly true in a context where rich nations are failing to fulfil their sustainability obligations, and are certainly not seriously reconsidering their relationship to growth. The core claim of this paper is that approaches which go beyond growth can be beneficial to urban development practitioners regardless of whether growth happens or not.

A blinkered and myopic obsession with driving growth is simply often not the most effective way of improving lives, and so moving beyond this outdated approach is useful irrespective of the conclusions one draws from the ecological unsustainability of growth.

Postgrowth approaches should thus be taken as a part of the development toolkit which encourage decision makers to interrogate the overall ends of their work, and expand their view of the pathways which may be available for achieving them.

## Overall insights for urban development

The evidence above provides a compelling case that at the most general level development practitioners must begin to look beyond growth as a matter of urgency. The current state of the environmental emergency means the future of our planet may well depend on it, while our current world trajectory towards abject failure to meet the Sustainable Development Goals<sup>61</sup> provides further reason to consider new approaches. The old playbook simply won't cut it anymore.

But for those working specifically at the level of urban development, with or as part of cities and localities, the implications may be less clear. What does a beyond growth approach look like in the urban context? And what benefits might be derived from taking a local focus to such a traditionally nationally focused issue?

The first thing to note is that, while strategies to go beyond growth must integrate all levels of governance and intervention, cities can be a particularly effective place to start. As mentioned at the beginning of this report, cities are often the economic engines of national economies. This means that transformations occurring here can have outsized impacts across the rest of the country. Cities are also likely to be some of the most forward thinking areas, and thus capable of acting as inspiring demonstrators for new and experimental ways of operating. Finally, their population density makes them ideal sites for energy and space saving innovations, as well as initiatives to foster the social and democratic connectedness which underpin the focus on wellbeing characterising development beyond growth.

However operating at the city level comes with its own challenges. Cities often face a highly constrained policy and funding environment, limiting the power and resources they have available to influence many of the most significant determinants of their citizens' lives. Major policy areas such as health, education and public financing as a whole are likely to be decided elsewhere. And many cities' reliance on attracting outside investment to fund their development may further constrain their options sets to those which are more amenable to potential investors. What's more, city administrations are often highly dependent on the support of colleagues in the national government, especially if they are competing amongst themselves for scarce national resources. This may make local governments cautious of pursuing programmes which appear to deviate too strongly from the political winds of the national context, where across the world a commitment to the centrality of growth still dominates.

However these constraints should not be taken to mean that action is impossible. The Amsterdam example outlined above shows that cities can still take extensive and meaningful action which goes beyond the mere pursuit of growth. Below we outline a number of key considerations which can guide this process:

## Focus on the foundational

With respect to the ends of development activity, going beyond growth means an emphasis on interventions that matter for citizens' day-to-day experience of their lives. Here, alongside the such as the wellbeing economy, sufficiency, postdevelopment and doughnut economics outlined in the appendix above, the framework of the 'Foundational Economy' can prove instructive. The Foundational Economy is an "approach to socio-economic development which focuses on the provision of everyday universal basics like food, housing, health services and transport within planetary limits".62 In most cases what truly matters for happy, flourishing and fulfilled lives, it is not a rapid increase in material consumption or economic activity for its own sake that drives wellbeing. Instead, it is factors such as relationships, housing, energy and food security, health and a meaningful occupation. As many examples across the world demonstrate. these outcomes can often be secured without relying solely on the lever of economic growth. Moreover, they can be secured highly effectively in many cases at the city level. Even where there are national policy and funding constraints, solutions are available.

For instance, cities may not control healthcare policy, but through interventions centering importance of preventative health, the social determinants of health, and social prescribing, they can do much to support healthier living.

The Foundational Economy approach chimes heavily with the growing attention paid to Universal Basic Services in the sustainability literature,63 and which has seen increasing attention in the urban context particularly.64 Universal Basic Services (UBS) is a policy framework that advocates for the provision of essential public services, free at the point of use, to meet basic human needs and enhance social equity. These services typically include healthcare, education, housing, transportation, and digital access, ensuring that every individual has access to the resources necessary for a dignified life. UBS is rooted in the belief that universal access to these services fosters social cohesion, reduces inequality, and supports economic stability. Unlike Universal Basic Income (UBI), which provides individuals with financial transfers, UBS focuses on delivering services directly, thereby addressing collective needs and empowering communities while promoting sustainability and reducing pressure on natural resources. Full provision of services which are free at the point of use may be infeasible in financially constrained contexts such as those found in the Eastern Partnership, however the framework nonetheless provides useful guidance to development funders and decision makers around valuable focus areas to improve lives in the area, and in turn the conditions of security which can support wider economic development.

Now a focus on the foundational need not, and should not, mean neglecting the wider economy entirely. Jobs remain important, not only as sources of livelihoods but also as providers of purpose and meaning. The emphasis should be on good jobs that provide decent and fulfilling work for local people, in sectors which promote the sustainability transformation. Here strategies to support local businesses, or adding social and environmental conditionalities to outside partnerships, have a role. This brings us to the next consideration.

#### Finance is key

Finance is arguably the most significant, and sticky, piece of the postgrowth puzzle. Particularly in the context of urban development, significant investment is needed to enact interventions. Calls for new infrastructure and improved service provision are doomed to remain utopian. However, if this finance follows traditional investment logics, it risks baking in dynamics of extraction and environmental harm to provide adequate returns. Access to patient, socially and environmentally rather than purely profit orientated financing of the kind required for a transition beyond growth does not and will not come easily for cities. However, financing need not be an impossible hurdle. Particularly in the context of development, international governmental organisations (IGOs) and international financial institutions (IFIs) must acknowledge the growing recognition of the damage caused by growth by facilitating access to finance better suited to postgrowth models.

Models such as Community Wealth Building<sup>66</sup> show how cities can use even more limited financial levers such as public procurement to support local outcomes, while the much lauded concept of energy communities<sup>67</sup> demonstrate how cities might bring together diverse stakeholders-including the private sector-to blend financial investment into key local infrastructure while ensuring that the benefits can accrue to the community itself. Particularly in conditions of financial constraint, pursuing outcomes beyond growth need not and should not entirely preclude the pursuit of profit. The Fondazione MeSSInA in Sicily<sup>68</sup> is a prime example, where an initial grant funded investment in renewable energy infrastructure has generated surpluses which have been reinvested in the community, supporting everything from housing to local community owned enterprises. The flywheel effect of surplus generating, socially and environmentally orientated investments has helped contribute to significant local regeneration.

Similarly, a report by University College London's Institute for Innovation and Public Purpose (IIPP) outlines how a local Community Wealth Fund model might be used to provide patient capital for more socially purposeful investments.<sup>69</sup> The Community Wealth Fund model proposes financing through long-term, locally controlled funds channelled towards social impact. These funds are directed towards deprived communities, where local residents are empowered to guide investment decisions based on their specific needs and priorities. The process is participatory, with community members co-designing projects and overseeing the allocation of resources to ensure that investments support long-term social, economic, and environmental resilience. This model encourages sustainable development by aligning public and private investment with local goals, fostering a bottom-up approach to economic renewal. Examples of possible funding sources include:

#### **Dormant Assets**

These include unclaimed bank accounts, insurance policies, and investment products, which provide a significant pool of funds.

#### **Public Sector Funding**

Local or national government contributions can support the fund with their own budgets, ensuring it aligns with broader public policy goals.

#### **Private Sector Contributions**

Corporate social responsibility initiatives, philanthropic donations, and social impact investments from businesses can contribute to the fund.

#### **Local Authority Revenues**

Income generated through means such as taxation, fees, or land sales and rents may be reinvested into the fund to support community-led initiatives.

It must also be acknowledged that even under best case conditions, the financial capacities of city governments will always be a major limiting factor for transformation. No amount of external development funding or innovative financial instruments will be enough if this is not matched by national level fundraising and investment. National policy instruments such as wealth taxes and carbon taxes—sensitive to the potential for the latter to hit the worst off if not well designed—have an important role to play. However given the focus here on urban development practice, a full discussion of these mechanisms remains out of scope.

## Centre community and collaboration

For local transformations to be just, effective, and socially as well as environmentally sustainable, they cannot be simply imposed from the top down. It is essential to work with communities and local stakeholders, both to ensure that interventions are maximally responsive to their needs and to create multiplier effects from joint efforts. Initiatives drawing on the diverse skills and resources of wider coalitions are likely to generate greater impacts than single actors or small coalitions acting alone. Securing broad buy-in through involvement is likely to ensure longer-term success and ownership.

What's more, relationships often lie at the heart of how people experience their city and their quality of life within it; research shows that community connection is hugely influential in both mental and physical health and wellbeing. Fostering positive interactions, points of social connection and an atmosphere of trust can thus go a huge way not only to enforcing a social licence for transformation but in improving wellbeing itself, independently of other material changes. This finding makes a compelling case that fostering community and collaboration should be not only a means but also an end in itself.

## Change how we measure success

Taking a postgrowth perspective involves changing our understanding and metrics of success. This means moving beyond narrow and blinkered measures that only target economic activity to include those that target a more holistic picture of a better life. Here, the number of initiatives developing metrics that go "beyond GDP" can be a useful place to start, such as the UN's flagship programme in the field. At the local level, innovative measures such as the Thriving Places Index71 and Cornerstone Indicators72 provide new ways of understanding progress. Additionally, the recent guide form C40 Cities: 'Beyond GDP: How your city can use alternative measures of social, environmental and economic progress'73 can act as a useful starting resource.

## Draw on new methodologies such as dynamic portfolio management

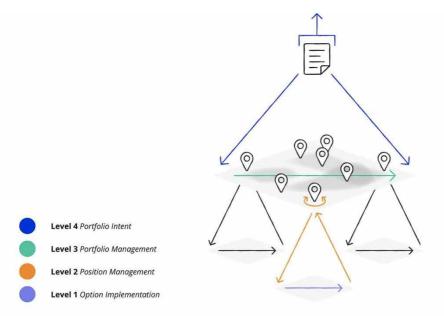
At meta-level, practitioners must also move away from the often simplistic tools which we use to implement development programmes. Once we acknowledge that economic growth is not a silver bullet capable of addressing all, or even most, of what sustainable development requires of us, we must focus on the complex interplay of factors that contribute to a good life. When we move from the myth of simple solutions to the reality of multifaceted needs, we need approaches which better reflect the messiness and uncertainty of the world as it is.

This is where one of the UNDP's flagship methodologies comes into play: dynamic portfolio management (DPM). The portfolio approach is at the heart of the M4EG programme, and has been used by 10 cities across the Eastern Partnership region to pursue urban transformation. It is important to note upfront that while we focus here on DPM given its centrality to the M4EG programme, it is not the only innovative governance approach capable of delivering complex transformation. The likes of Missions have also been well lauded elsewhere in the literature.74 The particular method one chooses to use is secondary to the overall value of approaching development practice in a more responsive, integrated and holistic manner.

Rather than adopt the traditional, linear planning and vertical interventions which has pervaded development for so long, the Portfolio approach is based around thinking in systems rather than siloes, and acknowledging the likelihood of emergent effects which cannot be predicted in advance. This means conducting multiple, interconnected and experimental interventions, observing their effects and adapting accordingly. As participants in the London School of Economics' roundtable series on postgrowth cities powerfully argued, we must move "from silos to systems" 75 if we are to successfully make change. The key challenges which urban development bond growth must meet, from poverty and wellbeing to ecological sustainability, are systemic in nature. Our methods must therefore enable us to act on interconnected challenges in an integrative way. The portfolio approach offers a powerful method for doing just this.

The process starts by working with city stakeholders to generate an intent, the guiding north star which the urban transformation will aim for guided by community listening process to understand the narratives and needs of citizens. This is defined to paint a qualitative vision of the type of city we would like to see in the future, rather than only speak to traditional economic outcomes. Next teams will select a series of positions, these are problem spaces covering multiple domains where fruitful experiments might be conducted. These positions start by observing the city as an integrated system, and identifying complementary intervention points within it to make change. Finally a series of options are designed and implemented. These are small scale experiments designed to generate learning, and explore how the systemic levers of the positions might contribute to achieving our intent.

Fig 4. Overview of the portfolio approach



	Why	What	When	How	Who
4	Review and adapt the Portfolio's overall strategic argument	The object of Sensemaking is the portfolio intent	Yearly basis	The impact and rationale of the entire portfolio will be evaluated, which informs the potential iteration of the overall intent of the portfolio	Portfolio Lead drives
3	Make sense across the whole Portfolio to review and adapt the Positions	The object of Sensemaking is the entire portfolio	Half-year basis	All positions within the entire portfolio are brought together through the Sensemaking protocol to generate intelligence that could inform the iteration of the portfolio composition	Portfolio Lead drives
2	Bring Options and activities within a Position together to review and adapt them	The object of Sensemaking is individual positions	Quarterly basis	All options within the same thematic area of interest are brought together through the Sensemaking protocol to generate intelligence that both evaluates the learning value and informs the re-design of individual options.	Portfolio Lead drives
1	Collect ongoing information and learnings from an Option to manage the Option delivery dynamically	The object of Sensemaking is individual Options	Monthly basis	Learnings and insights are extracted from the on- ground Option experiences to be fed into the second level of dynamic portfolio management. The Option learning log is a tool designed to support the synthesis and documentation of these option-level learnings.	Option Lead drives

[ © CHÔRA ]

Levels of Dynamic Portfolio Management in M4EG.

Approaches such as dynamic portfolio management enable practitioners to work more holistically when pursuing urban transformations, targeting and learning about the interplay of diverse areas which matter to people's rights, freedoms and wellbeing. This systemic approach must be at

the heart of beyond growth approaches.

What's more, the experimental and iterative nature of the portfolio approach is ideally suited to exploring new territories such as beyond growth urban development. There is no playbook for radical shifts such as these, which means practitioners must learn by doing. Demos Helsinki has previously called for 'humble' government centring experimentation, learning and iteration<sup>76</sup> and dynamic portfolio management provides another means for humble experimentation to drive progress in the move beyond growth.

Finally, the extensive focus on empowering municipalities themselves to experiment, learn and act, rather than just function as passive recipients of outside aid and expertise, builds local capacity to ensure that transformation can continue and evolve long after the closing date of any given project. Moving beyond the reductive myopia of "growthism" requires time and capacity, along with humility, curiosity and collaboration. The portfolio approach creates the space for cities to enact the means required by these new ends.

#### **Build local capacity**

Cities, particularly in the Eastern Partnership, are often not only resource constrained but capacity constrained. Any investment in new initiatives, infrastructure and services must be matched by developing local capabilities to deliver these effectively.<sup>77</sup> Municipal officials cannot reasonably be expected to adapt seamlessly to radical shifts in approach and ways of working without support, especially if this amounts to new responsibilities being added on top of their day to day work. Local capacity building efforts should include not only training and knowledge accumulation within administrations but also support to enact structural changes to empower staff to deliver change effectively. For example, the adoption of the DPM methodology in the M4EG programme was coupled with hands-on coaching from external experts to guide city teams through its use and embedding throughout their operations. Where possible, key staff members should also be at least partially freed from other responsibilities to create space for them to champion and drive forward efforts to go beyond growth. Finally, going beyond growth will require a shift in the ethos of public administration, and outside practitioners must work with their colleagues within municipalities to shift structures and culture to empower civil servants to act as change makers rather than simply bureaucrats.78

## What about the Eastern Partnership?

Given the M4EG programme operates across the Eastern Partnership region, we should consider what lessons can be taken for this location in particular. And we must also moderate conclusions in line with the regional context. Extolling new approaches which better respond to the realities of our ecological and social predicament is all well and good. But accepting reality must go both ways.

The Eastern Partnership (EaP) countries face complex and interrelated development challenges characterised by uneven economic prosperity and significant regional disparities. Despite progress in some areas, large segments of the population in secondary cities and rural areas continue to experience economic stagnation. Accepting the reality of unsustainable and often ineffective economic growth must also come hand in hand with recognising local realities; while certain lessons and principles may be useful to keep in mind, strategies must always remain sensitive to local contexts.

First, we must recognise that even in light of the very real problems with economic growth, many countries in the region may still need to grow. Even the most ardent degrowthers are very explicit in their commitment to ensuring economic growth can be used by those countries who truly require it to provide for the basic needs of their populations.79 And even if we accept that the relationship between GDP per capita and wellbeing (or the other facets of a good life we may choose to care about) is subject to a threshold effect, current evidence leaves a decidedly open case around middle income countries such as those found in the Eastern Partnership. More work is needed to establish the optimal level at which to taper growth, however it is plausible that this falls above where some countries currently are. Particularly for a country such as Ukraine, growth will have to occur by default as a result of the necessary rebuilding after war.

The challenge of growth is first and foremost a challenge for the world's richest countries, and it is here where we should see leadership and decisive action. Exploring urban development beyond growth should not be seen as an attempt to impose constraints on cities and countries already facing difficulties. In fact, it is quite the opposite. It is an invitation to expand the toolkit of development to create opportunities to use whichever means will be most effective to deliver better, more socially and environmentally sustainable lives for all. The evidence shows that in many cases growth may not be the best tool for this task, but in many further cases it may well be. Realism entails a proper assessment and decision in light of the full evidence in each case.

Second, we must also acknowledge that municipalities within the EaP face a number of constraints which should be respected when offering prescriptions. Local powers and capacities for effective devolved governance are still lacking throughout the region, while municipal budgets often depend almost entirely on dispersals from central government.80 As mentioned above, national policy particularly around revenue raising must play an important role, and is likely to place a limit on how ambitious urban reforms can be particularly in the early stages. The region is further subject to increased geopolitical pressure and instability in the present moment which again is a likely constraint on municipalities' room to manoeuvre. The difficulties in enacting urban transformations are not simply a matter of financial cost, and we must accept that political factors will also be highly significant especially when pursuing programmes which deviate significantly from commonly held economic dogma.

So what does all of this mean for cities and urban development practitioners operating in the Eastern Partnership? It means striking a balancing act. Over the last four years the M4EG programme has seeded ways of operating and approaching the practice of urban development which had been previously unheard of across the region. This commitment to innovation must continue, and there is cause for optimism that the work so far has laid the groundwork for continuing to explore new approaches. Critical and open minded reflection on the ends and means of urban development initiatives should continue, along with an expanded vision of transformation which goes beyond mere growth alone, whatever role growth may or may not also play. As the section below outlines, this process has already started.

But expectations must also be realistic. The social, political and economic context of the region will not transform overnight, and while ambition should remain high, regional partners should not be expected to go further or faster than is reasonable. This caution holds particularly strongly when the invitation comes from outside actors such as ourselves, and doubly so when our own homelands are themselves often failing catastrophically to change their ways for the better.81 Striking this balance between ambition and moderation, between recognising the realities around growth and the realitis on the ground, should be taken up as one of the most pressing challenges for those working on urban development across the region in the coming years.

# Mayors for Economic Growth goes... beyond growth?

It is the recognition of this challenge which has led the M4EG team to explore whether the innovative methodology we have brought to the region-in the form of Dynamic Portfolio Management-has also translated into wellbeing and prosperity which also goes beyond the traditional metrics of GDP growth. In other words, to explore how much a radical shift in the means of urban development can also impact its ends. But despite what its name may imply, the M4EG programme has long carried a more expansive notion of the ends of urban development. The 'Urban Makeover' concept at the heart of M4EG encompasses a more holistic vision of urban transformation spanning a variety of sectors and experiences which determine the quality of city life, from more traditional factors such as infrastructure through to culture, leisure and values.82 It is this broader idea of urban transformation which lies at the heart of the work, and as a result the team has sought to examine the impacts of city activities across a broad spectrum of outcomes.

One of the core components of M4EG is the Portfolio Journey. Starting in late 2021, the Portfolio Journey is a three-year-long programme which has seen 10 municipalities guided through an experiment in using dynamic portfolio management to develop new and innovative economic development initiatives. The Portfolio Journey marks a significant deviation from traditional local economic planning. Rather than simply lay out a rigid roadmap of interventions coupled with a fixed set of budget lines, the portfolio journey has challenged cities to think more systemically. Each municipality is able to receive up to €225,000, along with dedicated support from the UNDP and technical partners such as Chora Design and Demos Helsinki, to develop their own targeted portfolio to deliver an urban makeover through implementing a set of experimental interventions or options. The focus of the portfolio is decided by the city team in discussion with community stakeholders, and portfolios have targeted everything from the renewable transition to the blue economy and sustainable tourism. Crucially, portfolios are designed to be fluid, with interventions shifting and changing over the course of the journey as new learnings and insights emerge. The learning-centric nature of the portfolio approach-where processes of critical reflection are baked in-means that only those interventions which appear particularly promising are continued and scaled. Those which are not are treated as intelligence gathering exercises rather than "failures", providing new information about the city and potential levers of transformation which the municipality did not have before.

In the following section we highlight survey results from the three cities of Mykolaiv, Ceadir-Lunga and Areni, outlining the possible contribution of their city portfolios to urban transformations extending beyond economic growth. Each section will start by giving an overview of the city portfolios themselves before breaking down the survey results and summarising key takeaways. Overview information is partly derived from the UNDP 'City Snapshot' publication.<sup>83</sup>

These municipalities were selected on the basis of their progress in the programme, as well as the ability to gather community data. A general bank of survey questions were translated and then adapted by UNDP Country Office colleagues based on their judgement of the local context, leading to slight differences in the surveys administered in each city. The surveys were administered by a combination of UNDP Country Offices and municipality staff working for the M4EG programme, before being subjected to basic quantitative analysis and quote extraction within Google Sheets by Demos Helsinki experts. While efforts were made to engage diverse segments of the community we acknowledge that the reliance on voluntary self-selection and municipal invitation to gather respondents leaves open the risk of selection bias in responses, and also note that in each city a small minority of the respondents were themselves municipal employees (albeit not necessarily those working on the M4EG programme).

Finally we emphasise that these surveys in no way amount to a full evaluation of the programme activities in any city context; the high level of constraint around data collection rendered it necessary to rely on methods falling short of evaluation quality. Combined with the limited scope and depth of the data collected, we are thus cautious in emphasising conclusions around causality too strongly on their basis. While the questions were structured in a manner which attempted to focus respondents on their experiences and observed effects of the project activities themselves, the complex nature of the social phenomena touched upon means we acknowledge that conclusions drawn on the basis of this data must only be taken as potential indicators of some level of contribution to any overall effects.

#### City overviews

#### Ceadir-Lunga, Moldova



The inauguration of the kindergarten "Sălcioara" in Ceadir-Lunga, after having been renovated, thermo-insulated and the roof repaired, July 2023. Photo credit: UNDP Moldova/Marina Ciobanu

The city of Ceadir-Lunga is based in the region of Gagauzia in the republic of Moldova.

Bordering Ukraine it is a historical industrial hot spot from the Soviet times and historically closely connected to the Russian economy.

Almost entirely dependent on energy imports from the Russian Federation, the city and its inhabitants are facing drastically rising energy prices. In combination with high unemployment rates, low income scales and outdated energy efficiency standards, rising transport, heating and electricity costs are hitting households hard. Individual and community belonging and wellbeing, provision of basic needs and social inclusion are at risk.

#### Portfolio topic: energy transition

The municipality has decided to address rising energy prices and the need to transition to an affordable, renewables-based energy proposition. As such, the municipality seeks to transition from an import-based and extractive energy system to an independent, affordable and renewable energy set-up that puts the citizen in the centre.

#### Portfolio journey

With a specific focus on low-income and vulnerable households, the municipality aimed to identify and collaborate with early adopters and first-movers to generate network effects by demonstrating real and tangible benefits and feasibility to the citizens.

The team's learning throughout the process included the capacity to address any issue holistically to ensure both success and sustainability. This entailed reflecting on the project activities, seeking assistance from colleagues, and recognizing the need to engage the population more often, as the city's problems are primarily experienced by its residents on a daily basis.

#### **Portfolio objectives**

Inclusive and sustainable energy future.

Holistic approach towards the "home" as a key agent of the Energy Transition.

Relief and inclusion of low-income households.

#### **Portfolio positions**

Energy support for low income households

Efficiency renovations

Knowledge and capability building

Green transport

#### Areni, Armenia



The revival of traditional dishes festival of enlarged Areni Community, July 2024. Photo credit: UNDP Armenia

The consolidated community of Areni is a rural community and administrative subdivision of Vayots Dzor Province of Armenia, at the southeast of the country, and home to 11,757 residents. It spans nine settlements (Agarakadzor, Aghavnadzor, Areni, Arpi, Yelpin, Gnishik, Khachik, Chiva, Rind), and is well known for its rich cultural heritage, especially for the internationally acknowledged and rich viticulture, along with its mostly untouched and unique natural landscape. The challenges the region faces are linked to insufficient infrastructure and underdeveloped waste management, resulting in environmental pollution and affecting tourist activity in the area

#### Portfolio topic: sustainable tourism

Areni is seeking to develop sustainable tourism that takes into account its current and future economic, social and environmental impact, whilst addressing the needs of visitors, the industry, the environment and host communities.

#### Portfolio journey

The key target groups were the residents and businesses working in the tourism field and the journey aided the identification of their needs. Understanding the needs of the stakeholders facilitated identifying key challenges and solutions to drive economic development. The team's learning process included interviewing stakeholders, selecting the right respondents, formulating insights and evaluating the situation. They also undertook collaborative work by assessing the community's capacity, mapping problems, and practising storytelling (telling the right story at the right place, at the right time).

#### Portfolio objectives

Shared vision and narrative for transformation, which unites stakeholders towards the creation of inclusive, innovative and resilient tourism

A clean, green and safe environment for visitors and residents across generations, allowing social interaction and mutual learning to take place.

A diverse, connected, sustainable and appealing tourism economy that attracts funding towards infrastructure renewal and other benefits for Areni's community as a whole.

#### **Portfolio positions**

Community alignment and shared portfolio stewardship

Creating supply of cultural offerings

Impact investment

Tourist information

Leadership capabilities

#### Mykolaiv, Ukraine



The first meeting of the working group to create the Concept of Mykolaiv Shipyard Revitalization, held at the "Staroflotsky Barracks" museum. Photo credit: UNDP Ukraine

Mykolaiv is a significant city in southern Ukraine, known for its shipbuilding industry and strategic location along the Southern Bug River. Founded in 1789, Mykolaiv has grown into a vital economic and cultural centre. It boasts a rich maritime heritage, with multiple shipyards and a port that facilitates trade and transportation. The city suffered during the Russian invasion of Ukraine, being the site of a major battle and numerous other attacks. Recent efforts have focused on revitalising its economy and infrastructure, particularly through green and blue economy initiatives.

#### Portfolio topic: deep blue transition

Mykolaiv's portfolio focuses on transforming the city's economic and environmental landscape by leveraging its maritime identity and resources. This initiative aims to create sustainable development pathways that enhance the quality of life for residents while promoting innovative and eco-friendly practices.

#### Portfolio journey

The portfolio involves a wide range of stakeholders including local authorities, businesses, NGOs, scientists, and the general public. Specific groups such as the Mykolaiv City Council, the Ukrainian Association of Business Support Centers, and various local experts and industry representatives play crucial roles in driving the portfolio's objectives. The portfolio was developed over a three-month period using a systems approach. This method ensured a holistic view of the city's needs and potential, incorporating feedback and expertise from diverse stakeholder groups. The working process included forming interdisciplinary working groups, moderated expert meetings, discussions with citizens and business actors and developing communications channels.

#### Portfolio objectives

Transforming the local economy by fostering sustainable business practices and developing the maritime industrial park.

Supporting the transition to blue and green economy models for small and medium-sized enterprises (SMEs).

Involving citizens and stakeholders in the city's development through participatory approaches and public spaces.

Establishing Mykolaiv as a leading city in blue economy innovation and maritime identity.

#### **Portfolio positions**

Creation of an educational centre and community space

Shipyard revitalisation

Creation of a new industrial park

SME support

Strategic partnerships and communication

#### **Survey responses**

#### CEADIR-LUNGA Sample breakdown

Age breakdown	Gender breakdown	Respondents self-reporting a disability	Professional demographics (top 5)
18-24: 15	Female: 38	4	Education and science: 15
25-34: 9	Maie: 22		Government and public sector: 15
35-44: 16			Unemployed: 10
45-54: 15			Transport and logistics: 3
55-64: 5			Trade and retail: 3
	18-24: 15 25-34: 9 35-44: 16 45-54: 15	breakdown breakdown  18-24: 15 Female: 38 25-34: 9 Male: 22 35-44: 16 45-54: 15	Age breakdown         Gender breakdown         self-reporting a disability           18-24: 15         Female: 38         4           25-34: 9         Male: 22         4           35-44: 16         45-54: 15         4

#### **City resources**

60% of respondents stated that the project had increased local knowledge around green energy and energy efficiency

92% agreed that the project had led to improved infrastructure, while 90% stated that they received some level of personal benefit from this improvement

70% of respondents were more satisfied with access to goods and services now compared with before the project began

'Thanks to the M4EG program, we have opened the path to energy efficiency and green energy for our city.'

'The municipality has chosen the right direction in the field of energy efficiency and is confidently moving towards it.'



#### **Cultural heritage**

77% of respondents believed that the municipality had done excellent or good work in preserving and promoting cultural heritage during the project period, while 65% said that the city's activities had either significantly or moderately contributed to increasing their awareness of the city's heritage.

'Currently, many more events are being carried out for the population to preserve cultural heritage'



The inauguration of the kindergarten "Sălcioara" in Ceadir-Lunga, after having been renovated, thermo-insulated and the roof repaired, July 2023. Photo credit: UNDP Moldova/Marina Ciobanu

#### **Community connection and cohesion**

58% of respondents said they felt more connected to the wider community than two years ago before the project began

95% said that municipal activities had made a positive contribution to interactions with residents over project period

77% of respondents said that their involvement in community activities and events had increased over the project period

'Compared to 2021, civic spirit and patriotism have increased.'

'Municipal activities have significantly improved cohesion and relationships between city residents.'

'People have become more united and are trying to improve their yards and streets.'

#### **Municipality-community relations**

72% of respondents agreed that municipal activities had improved relations between municipality and residents

95% of respondents saw an increased involvement of city hall in the community over the course of the project period

73% reported increased trust in the municipality compared to before the project started

73% said the municipality had been effective or very effective in achieving positive outcomes through the project activities

'I really liked participating there because it was interesting and positive.'

#### Improved place to live

60% of respondents believed that the project had created more opportunities in the city

67% agreed that the city had become nicer place to live as a result of the project's activities

70% of respondents felt positively or very positively about the direction of travel for the municipality around the green energy transition

60% believed that the project had contributed to attracting new people and organisations to the city

'Come see the changes for yourself.'

'The city has become a much nicer place to live.'

#### **Environmental action**

87% of respondents saw positive overall changes to environmental practices across the city

77% saw either a somewhat or significant commitment from the city hall to environmental action

85% of respondents said that the project activities positively influenced their own commitment to environmental values

In summary, the survey responses from citizens of Ceadir-Lunga in Moldova highlight significant positive impacts of recent municipal projects. The M4EG programme has effectively increased local knowledge about green energy and energy efficiency, leading to improved infrastructure and personal benefits for many residents. Satisfaction with access to goods and services has risen, reflecting the success of the programme. Efforts to preserve and promote cultural heritage have been well-received, enhancing community awareness and leading to more cultural events. Community cohesion has strengthened, with residents feeling more connected and engaged in local activities. The relationship between the municipality and residents has improved, evidenced by increased trust and participation in municipal initiatives. The project has made Ceadir-Lunga a more attractive and liveable city, fostering a positive outlook on the green energy transition and drawing new people and organisations to the area. Environmental practices have also seen notable improvements, with the city's commitment to sustainability influencing residents' own environmental values. Ceadir-Lunga now stands as an exemplar in Moldova for an inclusive green energy transition which now appears well underway.

#### ARENI Sample breakdow

Sample size	Age breakdown	Gender breakdown	Respondents self-reporting a disability	Professional demographics (top 5)
53	18-24: 19	Female: 33	2	Agriculture: 10
	25-34: 13	Male: 19		Other: 10
	35-44: 9	Omitted: 1		No paid work/domestic: 14
	45-54: 4			Government and
	65 and			Public Administration: 8
	over: 5			Education: 4

#### **City resources**

79% of survey respondents believed that the project had helped them form new partnerships

81% agreed that the project had improved human resources in the city

79% said the project had improved the knowledge base in the city

81% said that project activities positively impacted the availability of goods and services

#### **Cultural heritage**

89% of respondents said that the municipality's activities over the project period had helped create opportunities to engage with local cultural heritage

96% said that municipal activities had helped increase their awareness of cultural heritage in their community

'The municipality significantly contributed and continues to contribute to the development of cultural life in the community. The programs that are implemented by/with the support of the municipality work best for the benefit of the historical and cultural active and meaningful life of the community.'



The revival of traditional dishes festival of enlarged Areni Community, July 2024.

Photo credit: UNDP Armenia

#### Community connection and cohesion

60% of respondents felt greater sense of being an important part of the community compared with before the project started

89% said the municipality's activities over the project duration had made a positive contribution to the level of engagement in the community

85% noted that they had personally increased their participation in community activities or events over the project period

60% agreed that the project activities contributed to improving relations between community members

58% agreed that project activities helped them to connect and communicate with people they wouldn't otherwise 'Organised events and programs are very interesting and transparent, which arouses curiosity among our residents.'

'Thanks to the programs organised by the municipality, I have also become more active in the community, and I strive not only to wait for the events organised by the community, but also to contribute to the implementation of the programs held here. Currently, one of the main motivations for my active activity is the existence of community programs.'

#### Improved place to live

91% of respondents reported optimism about the direction of the community's development, and attributed it directly to municipal activity through the project

91% agreed that the the project had created more opportunities in the city

81% of respondents believed that the project activities contributed to making the community a more pleasant environment to live in

79% said project activities made a positive contribution to improving their everyday life satisfaction now, compared to when the project started

83% said project activities contributed to their having new life experiences

68% said project activities led to improvements in leisure and free time activities

66% agreed that the activities of the municipality contributed to improving the general quality of life in the community

#### **Environmental action**

66% observed an improvement in the municipality's commitment to environmental action compared with before the project began

66% agreed that the project activities contributed to increasing their own commitment to environmental action

87% noticed improvements in community environmental action

#### **Economic and social vibrancy**

64% of respondents agreed that the project activities contributed to to attracting more people or organisations to the community

66% agreed that the project had made them more optimistic about their career opportunities

77% said the project had contributed positively to their sense of job satisfaction

79% observed an increased number of visitors to the community, with the vast majority of these respondents directly attributing this change to project activities

77% noted an increase in the number of people visiting local stores, with the vast majority of these respondents directly attributing this change to project activities

83% agreed that he project had helped to make the field of sustainable tourism more inclusive and accessible

#### **Municipality-community relations**

87% of respondents saw an increase in community involvement by the municipality compared to before the project started

72% reported increased trust in the municipality since the start of the project

81% said the municipality has been effective or very effective in achieving positive outcomes for citizens through project activities

'Although there is always room to work and develop and develop, the means and working style provided by the municipality are completely pro-community and culture-preserving.'

In summary, the survey responses from citizens of Areni indicate numerous successes from the municipality's activities. The project initiatives have fostered new partnerships and enhanced human resources, significantly improving the city's knowledge base and availability of goods and services. Efforts to engage with local cultural heritage have been highly successful, raising community awareness and enriching cultural life. Community cohesion has strengthened, with increased participation in local activities and improved relations among residents. The projects have made Areni a more pleasant and liveable city, offering new opportunities and enhancing overall quality of life. Environmental action has seen notable improvements, inspiring greater commitment to sustainability among residents. Economic and social vibrancy has also increased, with more visitors and a boost in local business activity, attributed largely to the project's influence. Finally, the relationship between the municipality and the community has improved, with heightened trust and effective outcomes from municipal activities. Overall, M4EG appears to have enriched Areni's infrastructure, cultural heritage, community engagement, environmental practices, and economic vibrancy.

#### MYKOLAIV Sample breakdown

Sample size	Age breakdown	Gender breakdown	Respondents self-reporting a disability	Professional demographics (top 5)
98	18-24: 7 25-34: 13	Male: 45 Female: 54	6	Scientific and technical services: 13 College, university and
	35-44: 27			adult education: 9
	45-54: 23			Construction: 8
	55-64: 23			Public services: 8
	65 and			Wholesale and retail trade: 7
	over: 5			

#### **City resources**

91% of respondents reported forming new partnerships due to project

89% said that the project activities had improved access to human resources throughout the city

97% said that the project had expanded the knowledge resources available in the municipality

'I have become more communicative, I easily find new opportunities through new contacts, I organize meetings with new acquaintances more often.'

#### **Community connection and cohesion**

70% of respondents agreed they now had a greater sense of belonging to their community than two years ago when the project started

82% said municipal activities had increased citizen involvement in the community compared with 2 years ago when the project started

85% said their own involvement in community activities or events increased over the 2 years of project operation

66% said the project activities improved relations between community members

82% agreed the project activities helped them communicate with people they wouldn't otherwise

'I feel that my efforts make a real contribution to improving the life of the community. It increased my sense of belonging and motivation to work for the good of the city.'

#### Improved place to live

68% of respondents noted they were optimistic about the direction of the community, with all respondents directly attributing this to project activities

87% said that project activities have contributed to creating more opportunities in the city compared with two years ago, when the project started

68% said the project has made a positive contribution to their work satisfaction 'This is a new life for the city.'

Municipality-community relationship

77% of respondents reported an increase in the interaction between the municipality and citizens compared with two years ago when project started, with all of these agreeing that the change was due to the project activities

62% believed the municipality had been effective or very effective in achieving positive results for citizens through the project work

'We work with the municipality, we see the work from the inside and its results. This is enough for trust to grow, and belief in joint progress and contribution strengthened.'

The survey responses from citizens of Mykolaiv highlight the significant positive impacts of recent municipal projects on the community. The initiatives have facilitated new partnerships and improved access to human and knowledge resources, enhancing communication and opportunities for residents. Community cohesion has strengthened, with a notable increase in citizen involvement and a greater sense of belonging. These projects have improved relations among community members and fostered communication with a broader range of people. Optimism about the community's direction is evident, with many attributing their increased work satisfaction and the creation of new opportunities to the project activities. The municipality-community relationship has also improved, with increased interaction and trust between residents and the municipality. Overall, these results point to Mykolaiv becoming a more connected, resourceful, and optimistic place to live over the course of the M4EG project.

## Connecting data and theory: the potential for delivering outcomes beyond growth

These results paint a promising picture of a far more diverse series of impacts, going far beyond traditional economic domains, which are perhaps beginning to emerge. Now of course even across these relatively small and imperfect samples responses were not unanimously positive, and given the early stages of the work there are no doubt be many hurdles remaining before even the most promising of weak signals can be translated into holistic urban transformations. However the data above should instead be taken as a sign of what is possible. They show all the ways that communities can be impacted and benefitted when development is done differently, and how just attending to factors beyond the tunnel-vision of the traditional economic paradigm can create a whole new understanding of what matters and why. M4EG has not been delivered as an explicitly "beyond growth" programme, and yet even here we can see the transformative potential of shifting practices and attention to better reflect the complex realities of our world.

What lessons should we take from these early signs of success? First, is that methods matter. Dynamic portfolio management encourages cities to pursue a diverse yet connected range of interventions in pursuit of their urban transformations. This approach steered municipalities to take a more systemic view and engage in a larger number of experimental activities than under more traditional development projects. The data indicates that this indeed may have led to a broader range of outcomes touching the social, cultural and political dimensions of the societies involved rather than simply the economic ones. It thus seems reasonable to infer that methods which build in requirements for a more diverse focus show promise in helping cities break out of the blinkered fixation which so often accompanies "growthism", even absent an explicitly postgrowth focus.

Second, treating engagement as more than an add-on pays dividends. In the prior section this report argues that a collaborative and community driven approach is essential to pursuing development beyond growth. The portfolio approach embeds deep community engagement and multi-stakeholder collaboration throughout the project process, at both the ideation and implementation phases. The data shows that this has been effective in creating greater levels of connection, involvement and trust in the cities, but in the explanatory comments quoted throughout the analysis it also points to the power of these experiences to create a sense of optimism, belonging and shared purpose. In other words, the data appears to align with wider research on the huge power of connection as a driver of wellbeing unto itself.

Finally, the positive environmental and cultural outcomes generated across the Ceadir-Lunga and Areni in particular should be heartening. Too often narratives pit non-monetary values such as these against mythologised conceptions of "the economy", with agitators arguing that such a focus will drag societies away from the economic outcomes that matter and impose unpopular costs on ordinary people.84 Not only did interventions generate positive outcomes in these cities but the wider commentary from respondents-some of which is captured by the included quotes-and responses in other areas such as overall optimism indicates that these changes were viewed highly positively by the community. In other words, an explicit focus on social and environmental sustainability need not risk political disaffection if framed correctly, even in poorer communities. What's more, Ceadir-Lunga's energy transition in particular shows how an emphasis on sustainability can create material improvements to the lives of the poorest, again undermining the claim that it is too costly. These results should give postgrowth advocates confidence that there is a politically and socially feasible path towards genuine sustainability, so long as it is accompanied by deep community engagement, framed correctly and supportive of wider forms of material security.

### Conclusion

Considering urban development beyond growth is filled with tensions and contradictions. For example, the economic growth paradigm is destroying our planet and yet many countries still need to grow. Cities often have vast and unsustainable environmental footprints, and yet are almost uniquely placed to model and chart a path towards more sustainable ways of living. And while new innovations and opportunities have generated vast prosperity for some, the conditions of the most vulnerable among us are once more declining. Grappling with these tensions will be essential if we stand any chance of mounting a response to our current environmental and social crises.

Recognising the need to move beyond growth is only the first step. Thinkers to practitioners, public officials and civil society leaders, all of us who are in any way involved in the business of improving the lives of others must reconfigure our goals, our visions of success, and the methods we use for achieving them. The vast array of theory and scholarship already in existence shows us that the ideas are out there, while the example of the portfolio approach demonstrates that many of the tools to begin experimenting with them are already within our grasp. And finally having attended to the wider array of outcomes that truly matter to citizens, we can see that the M4EG programme has perhaps already started to generate outcomes that extend far beyond the economic growth centred in its name. The challenge for all of us in moving forward will be to bring these learnings together to begin to shift the development paradigm as a whole. The future of our planet depends on it.

# Annex 1 Overview of beyond growth (adjacent) approaches

#### Concept

#### **Explanation**

#### Beyond growth/ Postgrowth

An umbrella term for all schools of thought which recognise that unlimited growth of production and consumption is ecologically unsustainable. It captures the idea that we must move away from a fixation on growth, and also restructure our economies so they do not depend on growth to function. It is a broad approach, covering many diverse strategies or agendas for how to realise it. As such a broad term postgrowth can be ambiguous in its interpretation. Some simply use the term to mean no longer focusing on or caring about growth while remaining neutral about whether economies in fact grow or not (synonymous with 'agrowth' or growth ambivalence), whereas others adopt the stronger stance that growth is actively bad and should actively be avoided or reduced.

#### **Beyond-GDP**

Particularly focused on GDP as a metric. Identifying that GDP is a poor measure of what matters, beyond-GDP proponents advocate for the use of alternative indicators of economic progress. In the weaker sense these are presented as supplements to GDP, whereas stronger advocates think they should replace GDP entirely.

#### Degrowth

One of the more prominent strategies under the postgrowth umbrella. Degrowth argues that bringing our economies back into a safe operating space for nature will require a planned reduction of production and consumption (often framed in material resource use) in a manner which reduces environmental pressures and inequalities while improving human wellbeing. Thus degrowth does not explicitly advocate for economic shrinkage, however accepts that this will occur almost by default of the policies required by sustainability. Crucially degrowth advocates insist that this process should only take place in the global north, to leave room for the poorest countries to grow to an adequate level to meet the basic needs of their populations.

#### **Explanation** Concept Associated with leading ecological economist Herman Daly but tracing **Steady state** roots back to Adam Smith's idea of a stationary state, the steady state economy economy is simply an economy which does not grow over time. It can be seen as the end goal of strategies such as degrowth, and for many amounts to what a postgrowth economy could and should look like in practice. A strategy focusing on demand-side measures (ie those relating to Sufficiency consumption) to reduce environmental pressures. The IPCC describes sufficiency as "policies, measures, and daily practices that avoid the demand for energy, materials, water, and land while delivering human well-being for all within planetary boundaries". In other words, sufficiency pushes back on the conception in neoclassical economics of humans as "utility maximisers" (where utility is in turn a function of consumption) and instead invites consideration of how much consumption is enough for a good life, and how to reduce demand beyond this. Coined by economist Kate Raworth, the doughnut is a model for how the **Doughnut** economy should function. The inner ring of the doughnut is the "social economy foundation", a set of minimum social standards-relating closely to the idea of sufficiency above–across 12 dimensions derived from the Sustainable Development Goals. The outer ring represents the environmental ceiling which we cannot transgress, based on the nine planetary boundaries. Thus the doughnut itself identifies what has elsewhere been referred to as the "safe and just operating space humanity" where all basic needs are met without transgressing planetary boundaries. According to the Wellbeing Economy Alliance: "a Wellbeing Economy puts Wellbeing our human and planetary needs at the centre of its activities, ensuring that economy these needs are all equally met, by default...In a Wellbeing Economy, our definition of societal success shifts Beyond GDP growth to delivering shared wellbeing." So the wellbeing economy is a postgrowth position which emphasises (human and planetary) wellbeing as an alternative economic focus and metric. Central to the concept is the idea that we should move away from trying to just redress or fix inherent issues with how our economy functions-for example income redistribution to address inequality or carbon offsetting to address emissions-and instead restructure the economy to bake in positive outcomes upfront. Examples may include so-called

"predistributive" measures such as worker/multi-stakeholder ownership of

businesses and assets, and truly zero carbon operating models.

#### Concept

#### **Explanation**

#### **Postdevelopment**

While postdevelopment theory is not explicitly a postgrowth position, it carries a number of relevant overlaps. Postdevelopment a critical theoretical school which argues that the concept and practice of "development" reflects and perpetuates the hegemony of the minority (Western) world. In particular it argues that the presentation of a linear and singular path of "development" culminating in growth driven, high consumption, privatised and individualised societies integrated into global systems of finance and capital, akin to those found in the rich West, has been a damaging falsehood. In rejecting the idea of a monolithic conception of a "developed" society, post-development seeks to create space for and uplift diverse and alternative social and economic models–often under the banner of what has been dubbed "pluriversalism" –many of which have existed in non-Western cultures for many years and which are often far more aligned with ecological reality.

#### **Postcapitalism**

Again while not always presented in postgrowth terms post-capitalism is often mentioned in postgrowth discourse, with many in the postgrowth community (publicly or privately) also endorsing the postcapitalist position. Postcapitalism asserts that our social and environmental crises are the result of the capitalist system itself, and so the only way to truly address these crises is to shift to a new economic system. Like postgrowth, postcapitalism is a broad church, with much variation in the alternatives to the capitalist system which are presented. In the context of postgrowth specifically, those also sympathetic to postcapitalism claim that there is a "growth imperative" inherent to capitalism, and thus that moving beyond growth logically implies also moving beyond capitalism. There is much debate around the possibility of a postgrowth capitalism, but common arguments against this possibility include those identifying competition between profit-seeking firms as requiring them to reinvest and grow their operations or else be outcompeted or swallowed by rivals (an argument originally made by Marx) and those identifying the central role of debt and investment in capitalist economies as necessitating growth to pay back creditors and investors requiring a return on their lending or investment. Finally it should be noted that some postcapitalists critique the postgrowth movement as wrong sighted, arguing that an ecologically sustainable steady state economy is compatible with high levels of human subjugation and exploitation unless the underlying problems of capitalism are addressed.

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