

TACKLING THE SHIFT TO A REGENERATIVE ECONOMY DISCUSSION GUIDE

We are rapidly approaching the point of no return as we surpass the limits of Earth’s planetary systems¹. However, our economy and society must have a stable foundation to function – this requires a healthy planet. By working with nature, instead of against it, we open up new opportunities for innovation that can benefit our social and economic systems. Simply mitigating the damage we have done to nature is no longer enough; instead, we have to repair, restore, and renew it by moving towards regeneration. Moving towards a regenerative economy will allow us to achieve positive, prosperous outcomes for nature, society and the economy.

Summary of the White Paper “Towards defining a Regenerative Economy”

The concept of regenerative economy has grown among academics and practitioners in recent years. However, there is no clear agreed upon definition of regenerative economy.

In this white paper, we aim to define regenerative economy by exploring its core concepts and distinguishing it from other concepts such as sustainability. To do so, we conducted a systematic review of key academic literature.

Regeneration versus restoration

While some practitioners and academics equate the term regeneration with restoration and use them interchangeably, the two are not exactly the same.

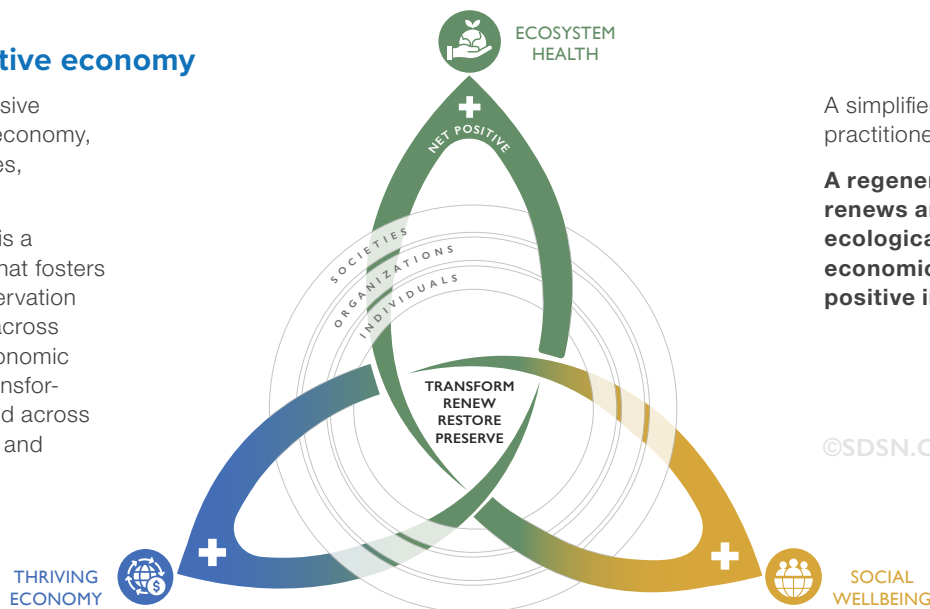
Regeneration is defined as “to become formed again” while restoration means “to bring back or to put back into a former or original state.”^{2,3}

To confuse matters further, many discussions about regeneration include restoration as part of the concept. In addition, some refer only to ecological systems when it comes to regeneration while others also include social and economic systems.

Defining regenerative economy

We propose a comprehensive definition of regenerative economy, based on academic studies, as follows:

Regenerative economy is a holistic, dynamic system that fosters renewal, restoration, preservation and net positive impacts across ecological, social, and economic systems, necessitating transformational change within and across individuals, organizations, and societies.



A simplified definition for practitioners is:

A regenerative economy renews and transforms ecological, societal, and economic systems for a net positive impact.

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Regenerative Economy: Renews and transforms ecological, societal and economic systems for a net positive impact

“Global leaders recognize the need for new solutions to achieve sustainability goals: Only a regenerative economy will allow people and planet to thrive in the long term.”

André Hoffmann
Vice-chairman Roche, advocate for business as a force for good

“Leadership is key to advancing regenerative economy. Organizational leader can champion a holistic approach to renew and restore social, ecological, and economic systems, and connect the dots between them. Only with regenerative approaches can we address problems like climate change and biodiversity loss, while developing social and economic well-being.”

Prof. Dr. Judith Walls
Institute for Economy and the Environment University St. Gallen

Core components of regeneration

Regeneration includes the ideas of renewal, preservation, and restoration, but it also goes beyond them.^{4,5} A regenerative economy considers a holistic and systems approach that is dynamic. It also considers ecological, social and economic components. It looks at how business activities co-evolve with socio-ecological systems.⁶

Specifically, regeneration requires *transformational change* across all levels of society, organizations, and individuals.^{5,7,8,9} As such, transformation refers to a process of reorganization of the system, with new components, functions, structures and processes.¹⁰



Forming again, renewal, net positive impact



Regeneration, including restoration and preservation



Systems thinking and a holistic approach

(i.e., dynamic, nonlinear, multilevel, etc.)



Ecological, economic, and social components



The need for transformational change across all levels

(society, organization, individual)

What regeneration is not

The terms restoration and renewal (on their own) do not sufficiently define regeneration. Instead, regeneration across levels (e.g., organizations and systems) must include the element of transformation.

A strong **sustainability** definition refers to the embeddedness of ecological, social, and economic performance. As such, it tends to take a systems perspective, similar to regeneration. However, traditionally, sustainability focuses more on mitigating harm than on net positive impact.

Similarly, **Corporate Social Responsibility (CSR)** and frameworks like the **Sustainable Development Goals or “ESG”** are typically not sufficient to encompass regeneration.^{11,12} These frameworks focus

more on reducing harm or achieving a net zero impact. By contrast, regeneration focuses on a net *positive* impact.

Circular economy is also different from regenerative economy in that it focuses on slowing, closing, and narrowing material and energy loops.¹³ As such, this concept is closer to conservation or preservation than regeneration.

While many of the above sustainability definitions and frameworks can have some overlaps with regenerative economy (e.g., preservation can be important for achieving regeneration), none of them fully cover what it means to achieve regeneration.

Concept	Sustainability	ESG	CSR	Circular economy
Definition	Balanced, systemic integration of intra- and inter-generational economic, social and environmental performance	Practices that consider economic, social and environmental issues and outcomes	The responsibility of enterprises for their impacts on society	Processes of slowing, closing, and narrowing material and energy loops
Focus	Embeddedness, systems	Risk reduction, mitigation	Ethical treatment of stakeholders	Closing loops

Future questions for scholars and practitioners

As a relatively new topic for both academics and managers, many questions still arise about regenerative economy. For example:

What does a future regenerative economy look like?

What types of business strategies allow organizations to transition towards a regenerative economy?

How can organizations measure regenerative economy (net positive impact)?

What hinders progress towards regenerative economy, in capabilities, technology, business models, policy, and institutions?

How can organizations engage stakeholders and local communities to foster a regenerative economy?

“We believe in a regenerative economy because it creates boundless opportunities by thriving with nature. We see an urgent need for this shift because only a regenerative economy can create prosperity for all.”

Carole Küng
Co-director SDSN.CH

“There is no regenerative economy without a regenerative society. Similarly, there is no regenerative business without regenerative finance. Thus, we need to embrace systemic approaches to change.”

Jorge Tamayo
Co-director SDSN.CH

This discussion guide is a summary of the academic white paper **Towards Defining a Regenerative Economy** by Dr. Kerrigan Unter^a, Leo Vogel^a, Prof. Dr. Judith Walls^a, Carole Küng^b and Jorge Tamayo^b.

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