On 31 January 2018 at the Dutch Federation of Accountants in Amsterdam, Reporting 3.0 convened the kickoff meeting of the Global Thresholds & Allocations Council (GTAC), a governance body tasked with vetting and validating thresholds (the ecological ceilings & social foundations of Kate Raworth’s Doughnut Economics) and allocations (or fair share “slices of the pie” of resources). Mark McElroy presented the below abstract of his comments delivered in the ‘Allocation Approaches: A Brief Tutorial on Thresholds and Allocations In Managing for Sustainability’ session.

Mark McElroy  
Founder & Executive Director, Center for Sustainable Organizations  
Reporting 3.0  
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Thresholds and allocations play a key role in determining the sustainability performance of organizations. Thresholds define the upper and lower limits of the carrying capacities of vital capitals (natural, human, social, constructed and economic) that must be produced and/or maintained in order to ensure stakeholder well-being. Allocations, in turn, apportion to organizations (or other human populations) fair, just and proportionate shares of the responsibilities to maintain the capitals at no worse than threshold levels.
While defining thresholds can be a fairly straightforward process, settling on organization-specific allocations is more controversial. In general, there are three ways to do it: 1) by reference to the economic contributions of an organization, 2) by reference to the size of an organization’s workforce, or 3) by reference to the volume of output produced by an organization. This session will briefly define all three techniques, and will further explain why thresholds and allocations are so important to sustainability and why we need them.

— Abstract of presentation from the Reporting 3.0 Global Thresholds & Allocations Council Meeting at the Royal Dutch Federation of Accountants in Amsterdam on 31 January 2018.