

AN ECONOMY OF WELLBEING FOR HEALTH EQUITY

FOSTERING A TRANSITION TOWARDS HEALTHIER, MORE INCLUSIVE, AND SUSTAINABLE SOCIETIES

POLICY PRÉCIS

The Situation

Unsustainable economic growth comes at a cost – a social, health and environmental cost. Our current economic models promote overconsumption and individualism, further widening the socioeconomic and health inequalities gap. This threatens the health of our planet and communities, as well as the wellbeing of present and future generations.¹

The climate and biodiversity crises, COVID-19 pandemic, non-communicable disease epidemic, and rising health inequalities² all clearly show us that **societies and economies have reached their tipping point.**³ This impacts our resilience to other crises, such as those caused by war and the breakdown of our ecosystems.

The global nature of our economy means our societies are closely interlinked. What happens in one part of the world has a profound effect in another, as COVID-19, the climate crisis and the war in Ukraine have revealed.

These crises are forcing us to confront the fact that current economic systems and structures are failing both people and the planet. Such predicaments make us reconsider our core values and priorities, and push us to develop new models, visions and approaches to work towards. They inspire to help guide the way through these challenging times towards a more sustainable future. The concept of the 'Economy of Wellbeing' can offer such a vision and approach. It can help a wide range of stakeholders develop a common strategy for change.



What is an Economy of Wellbeing?

Supported by the Finnish Federation for Social Affairs and Health (SOSTE), the concept of an Economy of Wellbeing has been spotlighted in recent years by actors such as the Organisation for Economic Co-operation and Development (OECD), as well as by the 2019 Finnish Presidency of the European Union (EU) in its Council Conclusions on the Economy of Wellbeing.⁴

While the Economy of Wellbeing is not defined in one unified way, common features can be spotted across approaches taken by international organisations, non-profits, and researchers. What they all seem to agree on is that, at its heart, **the Economy of Wellbeing is an economic model that benefits people and the planet, and ensures human dignity and fairness.**⁵

An Economy of Wellbeing strives to go beyond traditional economic indicators (such as GDP⁶) by also prioritising the use of wellbeing measures to evaluate the progress of our societies and nations.

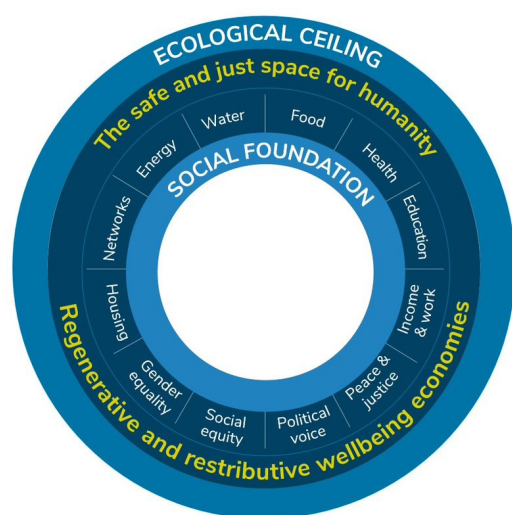


Figure 1. In the Doughnut Economy Model, the needs of all are met within the needs of the planet.⁷

Kate Raworth's Doughnut Economy Model⁷ (see Figures 1 & 2) offers a new way of thinking about how to meet the needs of all whilst simultaneously meeting the needs of the planet, and thereby transform economies into ones that deliver greater wellbeing. The model helps economies evaluate where they stand in terms of delivering wellbeing, and serve as a compass to progress towards healthier, more inclusive and sustainable societies.

What is the link between the Economy of Wellbeing, public health and health equity?

The concept of the Economy of Wellbeing can significantly contribute to the long-needed⁸ reorientation of health and social care systems. It offers a policy framework with **greater attention to disease prevention and health promotion**.

By focusing on health and wellbeing in all policies, and reducing environmental, economic, psychosocial and work-related stressors, it strengthens resilience and contributes to better health outcomes.

This approach can resonate in those health services that are planning a shift in mindset, away from the dominant focus on 'repair and cure'. It

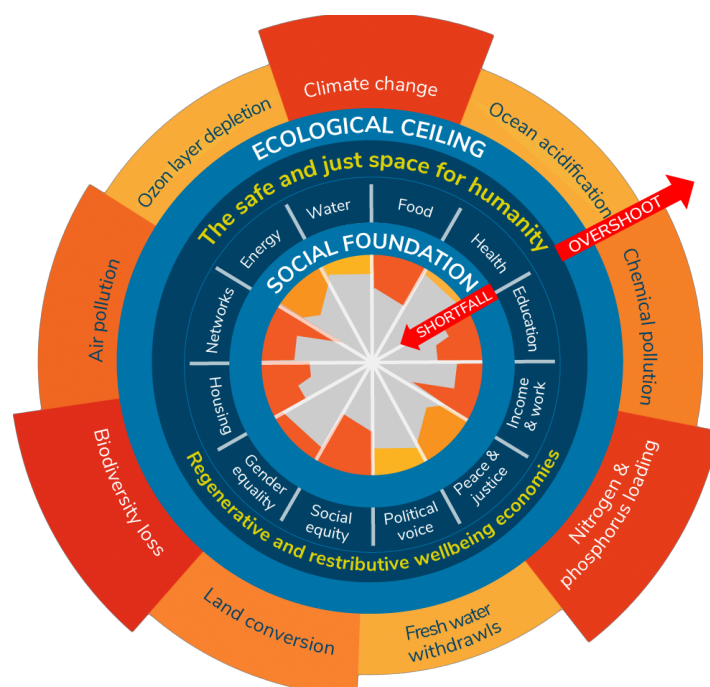


Figure 2. The above Doughnut Economy Model represents the current state of affairs. Our economic model is failing to provide a safe and just space for humanity, whilst also leading to climate overshoot.

can provide the resources to protect, prevent and enable people to cope with stressors and thrive.

A wellbeing agenda can further boost investments in integrated community-based primary care, health promotion and disease prevention. Such agendas can strengthen efforts to reduce health inequalities by addressing the determinants of health (see Figure 3).⁹

An economy that considers its impact on people and the planet offers a number of opportunities for health:

- It can help public health actors prioritise equity, and promote social rights and environmental sustainability. Such a "triple win" approach was developed by the INHERIT initiative, which was led by EuroHealthNet.¹⁰
- It creates a strong link with the "One Health" approach, which recognises the inter-connection of people, animals, plants, and their shared environment. This can help enhance pandemic preparedness and improve future health and equity (as outlined in the Pan-European Commission on Health and Sustainable Development report, 2021¹¹).

- An economy that prioritises the wellbeing of people and the planet can appreciate the multiple pathways through which the health sector co-creates societal gains across other sectors, both directly and indirectly.⁸ As a result, it can be a guiding compass for government spending priorities and regulatory decisions, and be used to measure progress and impacts. It can help overcome siloed spending patterns, and promote greater visibility between the spending of governmental funds and the impact of wellbeing.⁹
- It can help reach global and European goals (Sustainable Development Goals (SDGs)¹³), rights (UN Declaration of Human Rights¹⁴, EU Charter of Fundamental Rights¹⁵), and principles (European Pillar of Social Rights¹⁶), and meet EU Treaty obligations (Art. 2 TEU and Art. 168 of TFEU¹⁷).

Challenges to be addressed

Most people would stand behind the notion that economic activity should meet the needs of all, while respecting planetary and environmental systems. Yet achieving such a transformation is very difficult, as there are many actors that benefit from the status-quo.

In addition, with change comes uncertainty, which generates discomfort and social unrest. It is those who are most vulnerable that benefit least from measures designed to mitigate the impacts of change.

The primary challenges of transitioning to economies that generate greater health and wellbeing therefore lie in confronting vested interests, while ensuring that the transition takes place in a way that is fair and just. It is crucial to strive for change to avoid an alternative scenario of change that will nevertheless come in the form of environmental and social breakdown.

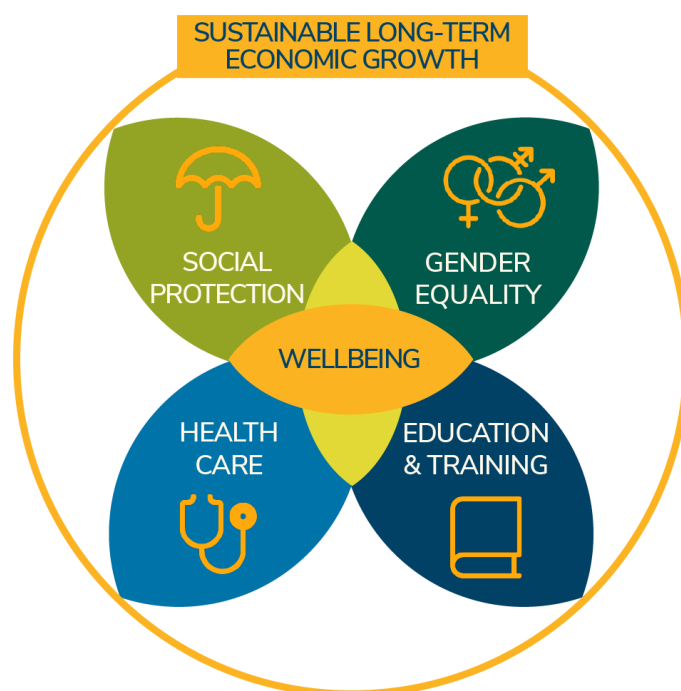


Figure 3. In the Economy of Wellbeing Model, investments in the determinants of health lead to greater wellbeing and sustainable economic growth.¹²

How can EU Policies, Tools and Programmes enable an Economy of Wellbeing?

The Economy of Wellbeing reached political heights with the **Council Conclusions on the Economy of Wellbeing**,⁴ brought forward during the 2019 Finnish EU Presidency. The Conclusions invited Member States to incorporate wellbeing into their governance structures, for instance by integrating wellbeing indicators in monitoring and budgetary processes, and through cross-sectoral impact assessments on wellbeing, and evidence-based policy measures.

There is ongoing momentum to promote an Economy of Wellbeing, as shown by instruments that help implement the concept. These include the **European Green Deal**,¹⁸ the **European Care Strategy**¹⁹ and the **EU Child Guarantee**.²⁰ Increasingly, EU policy makers refer to the Wellbeing Economy in policy documents and processes.

- The **European Pillar of Social Rights (EPSR)**^{16,21} is the main tool to help meet the highest standard of working and living conditions throughout Europe. The EPSR sets out principles and rights to support fair and well-functioning labour markets, as well as social protection and inclusion everywhere in Europe. With the EPSR Action Plan,²² it serves as an instrument that can put the Economy of Wellbeing into practice.²³
- Accompanying the implementation of the EPSR, the **'Social Scoreboard'**²⁴ tracks trends and performances across EU countries related to principles under the Pillar. It includes indicators on equal opportunities, fair working conditions, as well as social protection and inclusion. The Scoreboard feeds into the European Semester process and serves to push social issues further up on the EU agenda.
- Progress on the Economy of Wellbeing can be tracked through the **European Semester**.²⁵ This is the EU's annual cycle of economic and social policy coordination which can help steer towards better health. Every year, EuroHealthNet publishes an analysis of the Semester from a health equity and wellbeing perspective.^{26,27}

The EU and its Member States can encourage financing for the transition to an Economy of Wellbeing through the long-term EU budget (**Multi-annual Financial Framework 2021-2027**)²⁸ and the **Recovery and Resilience Facility (RRF)**²⁹. The RRF is the centrepiece of Europe's recovery plan, named NextGenerationEU.²⁸ Its aim is to mitigate the economic and social impact of the COVID-19 crisis, and to ensure that EU economies are sustainable and resilient. The plans are used to finance the transition towards greener and more digital societies in a socially fair way.

- The EU established **"Ministers for the Future"** and the **EU-wide Foresight Network**.^{30,31} The initiatives aim to strengthen the EU's foresight capabilities, to improve the EU's ability to design better public policies by "making wellbeing a policy target for the generation of today as well as tomorrow".

However, transitioning to a new **European way of life**³² and building a **Union of Equality and Diversity**³³ that upholds an Economy of Wellbeing will not happen overnight. We need continuous action, advocacy and monitoring to ensure the European Commission and Member States avoid a sole focus on the most pressing crises and keep working towards overarching wellbeing and sustainable development objectives. The key role of community action, social movements and NGOs as cornerstones of change needs to be respected and taken full advantage of.³⁴



Figure 4. The Principles of the European Pillar of Social Rights feed into the Economy of Wellbeing.²¹

International Approaches



In the international landscape, the **OECD** has been pushing the Economy of Wellbeing agenda forward. It has recognised the “rising inequalities in income, wealth and opportunity”, and advocates for

the expansion of “opportunities that are available to people for upward social mobility and for improving their lives”. It aims to ensure that such opportunities translate into improvements in wellbeing for all and a reduction of inequalities.³⁵

The OECD has built on previous efforts to go “beyond the GDP indicators” to measure economic performance by **developing indicators that better portray the wellbeing component**.³⁶ It further explains that prioritising wellbeing evidence can help refocus, realign and reconnect policy, particularly in response to crises such as the COVID-19 pandemic. Nearly half of OECD countries are working on embedding wellbeing into government policies. Ten countries have specific mechanisms to support this integration.³⁷



The **World Health Organization’s (WHO) Geneva Charter for Wellbeing**³⁸ expresses the urgency to create sustainable wellbeing societies, committed to achieving

equitable health now and for future generations, without breaching ecological limits. Building on the legacy of the Ottawa Charter³⁹ and the Global Conferences on Health Promotion, the Charter calls upon stakeholders to:

- design an equitable economy that promotes development within planetary boundaries;
- create public policy for the common good;
- achieve universal health coverage;
- address the digital transformation;
- preserve the planet.

The Geneva Charter supports decision-makers across the world to adopt this approach and commit to concrete action.



WHO Europe, through the **WHO European Office for Investment for Health and Development in Venice, Italy**, has launched a **New Economics Expert Group**.⁴⁰ The Expert Group will support the

implementation of WHO Europe's Economy of Wellbeing Initiative. It will also work towards the WHO resolution on accelerating progress towards healthy, prosperous lives for all in the WHO European Region. The report by the Pan-European Commission on Health and Sustainable Development¹¹ will serve as a framework for the Expert Group to drive the shift forward and implement change at the centre of policies.

The **Wellbeing Economy Governments Partnership (WEGo)** is a collaboration of governments to share expertise and policy practices. It aims to advance the shared ambition of building Wellbeing Economies. The partnership is made up of Finland, Iceland, New Zealand, Scotland, and Wales. It builds on the recognition that governments play a key role in creating Wellbeing Economies.⁴¹

New Zealand, for instance, has introduced a wellbeing budget. The budget serves as a key financial tool to promote a whole-of-government approach. Its aim is to mainstream the wellbeing aspect in policies for both present and future generations, and track progress through broader measures of success than just economic growth.^{42,43}



The **Wellbeing Economy Alliance (WeALL)**,⁴⁴ of which EuroHealthNet is a partner,

is a collaboration of organisations, alliances, movements, and individuals that works towards a Wellbeing Economy, delivering human and ecological wellbeing.

All of these European and international efforts will significantly contribute towards the implementation of the **UN 2030 Agenda for Sustainable Development**, and to achieving multiple Sustainable Development Goals (SDGs)¹³, such as SDG 8 – Decent Work and Economic growth, SDG 3 – Good Health and Wellbeing, and SDG 11 – Sustainable Cities and Communities.

Making it happen in European states

Ireland

The Irish government is developing a Wellbeing Framework to facilitate more coordinated policymaking. This action is part of Ireland's 'Programme of Government' initiative and a key deliverable of its Economic Recovery Plan. The framework will consider environmental, societal, and relational progress, combined with economic factors. It will specifically focus on outcomes, intergenerational issues and inequalities. The overall scope is not just to measure wellbeing, **but to steer the policy direction in a way that integrates wellbeing in a more meaningful, resilient, and sustainable way.**⁴⁵

Wales

The WHO Collaborating Centre on Investment for Health and Wellbeing works with Public Health Wales, and the WHO Europe Office for Investment for Health and Development to take joint action to help mitigate the harms of the COVID-19 pandemic. This collaboration will enable the institutions to work together to take forward opportunities to build an Economy of Wellbeing. This approach takes advantage of the **co-benefits of policies for health and wellbeing, social, economic, environmental, and investments across sectors**, to enable, rebuild, and support healthy prosperous lives for all, now and in the future.⁴⁶ This work takes forward the Welsh Wellbeing of Future Generations Act.⁴⁷

Finland

The Finnish Ministry of Social Affairs and Health appointed a steering group whose mission is to develop the Economy of Wellbeing as a tool for policy-making and action. The steering group is responsible for an **action plan to centralise the concept in government processes.** It collaborates with Finland's Advisory Board for Public Health, which assigned a dedicated Committee to the Economy of Wellbeing.⁴⁸ Finland has published a report with proposals on how the Economy of Wellbeing can be streamlined into evidence-based policy-making processes.⁴⁹ **It set up an international high-level group of experts including the WHO, the OECD, the Commission, WeALL and EuroHealthNet.**

Other countries

Other cities and countries across Europe are also adopting a forward-looking approach and embedding wellbeing at the core of their policies. This is part of their response to the impact of the COVID-19²⁸ pandemic, as well as the climate crisis and the necessity of “building back”, or building forward, better. Spain for instance, aims to place wellbeing at the core of its pandemic resilience and recovery through its España 2050 strategy.⁵⁰

At a local level, Amsterdam, Berlin and Brussels are amongst cities that are exploring how the Doughnut Economy Model can support the recovery from the COVID-19 crisis and reduce vulnerability to future shocks.⁵¹



Pathways to Progress

EuroHealthNet reflects on actions that have already been taken, and what has yet to be done to embed the Economy of Wellbeing within policies and systems. It recommends the following:

- **Develop governing tools that promote a transformation in systems-thinking** to recognise the interconnectedness and cross-sectoral impact of issues, and pursue supporting actions that will lead to mutually reinforcing positive outcomes. Such synergies will need more integrated approaches as well as balanced decisions on potential trade-offs.
- **Encourage participatory and inclusive governance.** The engagement of stakeholders and civil society organisations is crucial in transitioning to an Economy of Wellbeing. It is key to capture citizens' needs and concerns, particularly from those living in disadvantaged circumstances. Governmental systems need to set up channels for open communication, work transparently, and empower communities to take charge of their health and wellbeing and support meaningful collaboration.
- **Build a stronger investment case for public health through the wellbeing agenda.** This includes building closer engagement with the finance sector and both public and private investors to ensure that wellbeing priorities are translated into action. Resources can be mobilised to finance services that co-benefit health and wellbeing for all. The EuroHealthNet e-Guide for Financing Health Promoting Services⁵² offers case studies that can help. More funds can also be allocated to public health through EU budgets and instruments, paired with capacity-building activities for subnational levels to absorb such funds.
- Foster an environment of **leadership, responsibility and accountability** in the transition towards an Economy of Wellbeing which helps navigate the various acute crisis situations, allowing for long-term planning and adhering to a sustainable vision. This requires well-defined targets and milestones, and cross-governmental, political support.
- Streamline the Economy of Wellbeing through the **European Semester and the EU Annual Sustainable Growth processes.** Improve methodologies for reporting on social investments and expenditure **to publicly track the transition to a Wellbeing Economy at the EU and national levels.** The Resilience Dashboard, Social Scoreboard, and Recovery and Resilience Scoreboard are among tools that can be used.

For more information visit: eurohealthnet.eu



EuroHealthNet is a not-for-profit partnership of organisations, institutes, and authorities working on public health, disease prevention, promoting health and wellbeing, and reducing inequalities. We aim to tackle health inequalities within and between European States through action on the social determinants of health. For further information go to eurohealthnet.eu.



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