

A European Semester for the wellbeing of people and the planet

Is the Semester delivering a Wellbeing Economy?

Key findings from EuroHealthNet's assessment of the 2024
Semester through a health equity and wellbeing lens

December 2024

About this document

EuroHealthNet has investigated how the 2024 European Semester process, especially the formulation of Country-Specific Recommendations, supports the EU agenda of reducing social and health inequalities and how the Semester architecture can support the Wellbeing Economy.

For EuroHealthNet, the adoption of a Wellbeing Economy is the way forward to achieve a healthy, prosperous, and cohesive Europe, supporting the European Union's (EU) strategic goals and initiatives, such as the European Pillar of Social Rights, the UN Sustainable Development Goals, the Green Deal, and the Recovery and Resilience Plan. The Wellbeing Economy can also contribute to budget and debt sustainability in the long-term since it prioritises investment with a high return.

EuroHealthNet's analysis indicates that some progress has been made to advance social, health, and environmental goals and for achieving wellbeing. However, improvement is still needed to advance a Wellbeing Economy and put social, health, and environmental goals on equal footing with fiscal and economic objectives.

Increased focus on social, health, and environment within the European Semester, but further developments are needed for a Wellbeing Economy

The European Semester is the core socioeconomic governance system of the European Union, aiming to align Member States' policies and reforms within the EU towards common strategic goals and initiatives. Started in 2010, after the global financial and economic crises of 2008-2009, the Semester brings together different European mechanisms, such as the Stability and Growth Pact, the Macroeconomic Imbalance Procedure, and the Employment Guidelines, under one single annual cycle of policy coordination.

Every year, the European Commission issues the annual priorities in the Annual Sustainable Growth Survey, reviews the economic and social situation of each Member State, and issues Country-Specific Recommendations (CSRs) to guide national governments in achieving European objectives.

Initially, the focus of the European Semester was almost exclusively on national public budgets and debt discipline. The process has progressively expanded to include social, environmental, and health policies. With social and environmental objectives gaining more attention as EU priorities, more CSRs have been issued to support these policies. In 2018, the implementation of the European Pillar of Social Rights, with the 20 principles to achieve sustainable and inclusive societies, was incorporated in the Semester process. In 2020, the Semester further expanded to integrate the Sustainable Development Goals, with the objective to put people, health, and the planet at the centre of economic policies.¹ In 2021, the new Recover and Resilience Fund, created to support Member States in addressing the negative socioeconomic impact of the COVID-19 pandemic, was included in the Semester architecture, making boosting investment an objective of the new economic governance.

More recently, for the 2024 Semester cycle, the Annual Sustainable Growth Survey has explicitly mentioned the importance of sustainable and inclusive wellbeing beyond gross domestic product (GDP). Furthermore, building on the Social Scoreboard, the Social Convergence Framework has been adopted to better monitor the emerging social risks in Member States. Equally relevant, under the review of the European Economic Governance Framework, sustainable and social investments gained traction. Adopted in April 2024, it takes a longer-term perspective on Member States' debt and budget assessment, better balancing the double objectives of ensuring investment and public spending sustainability at the same time.

These improvements on social, health, and environmental policies, as well as social and health investment through the European Semester, are steps in the right direction for ensuring Europe is delivering for people and the planet's wellbeing.

Understanding the Wellbeing Economy: What is it and why does it matter?

In our current system, the success of our economies and societies is measured through economic growth, without regards of the costs to public health and the environment. The Wellbeing Economy model aims to put the economy at the service of what should be our ultimate objective: our wellbeing and that of the planet.

The transformative approach of the Wellbeing Economy moves the focus away from an economic system that is structurally dependent on GDP growth. Instead, it values human health, environmental sustainability, social equity, and wellbeing as core indicators of success. Policies and legislation are assessed on their impact on and potential to improve wellbeing. This creates a virtuous circle, where improved wellbeing increases economic benefits and vice versa.²

¹ European Commission. (n.d.) [European Semester and the United Nations Sustainable Development Goals](#)

² EuroHealthNet. (2024). [A reimagined economic system: Wellbeing Economies for healthier, sustainable, and equitable societies](#)

¹ European Commission. (n.d.) [European Semester and the United Nations Sustainable Development Goals](#)

Putting wellbeing at the heart of economic policy

Under the Wellbeing Economy, economic growth is not an end, but a means to improve societal and planetary wellbeing. The limitations of an economic model based only on economic growth, measured as GDP, are clear in terms of rising inequalities and social exclusion, social polarisation, and the deterioration of environmental and human health. The need to adopt economic models that better reflect their real impact on people and the environment is increasingly recognised.

Several high-level initiatives exist at the international and EU level, aiming to achieve this by placing wellbeing as the primary objective of economic and public policy:

- The 2019 Council conclusions on the Economy of Wellbeing invited the European Union and Member States to include a Wellbeing Economy perspective in all policies.
- The Beyond Growth debates aim to move away from GDP as the only indicator of economic performance and incorporate better indicators to measure prosperity and wellbeing.
- The OECD's strategic work on wellbeing within their Centre on Wellbeing, Inclusion, Sustainability and Equal Opportunity (WISE).
- The 2024 European Joint Research Centre report on Sustainable and Inclusive Wellbeing.
- WHO's work on a Wellbeing Economy.

However, despite these encouraging initiatives, there is much work to be done to reach a European Semester more oriented towards the wellbeing of people and planet and not just for economic growth defined as GDP. Likewise, the development of explicit wellbeing indicators and their prioritisation within the Semester is still far from being achieved.

Assessment of the 2024 cycle: the Country-Specific Recommendations, the Social Convergence Framework, the new Economic Governance, and the indicators for a Wellbeing Economy

The Country-Specific Recommendations: There are some improvements in the formulation of the Country-Specific Recommendations when it comes to addressing social and health inequalities and the wellbeing of people and planet. However, there are also some shortcomings and missed opportunities:

- Six EU Member States received recommendations to invest more in health-related measures, such as expanding **universal primary care** and supporting the **care workforce**. With worsening trends of healthcare systems across the EU post-COVID, more countries would have benefitted from a similar recommendation. The very low number of health-related CSRs suggests limited prioritisation of health overall. Furthermore, only one country (Lithuania) got a CSR to improve **preventive health**. It is a missed opportunity not to extend recommendations to invest in health promotion and disease prevention to a higher number of countries. Investing in public health has a return of 14 Euros for every Euro invested.³ Investing in public health is a highly cost-effective measure for the sustainability of public expenditure as well as workforce productivity, and it needs to be encouraged.
- A total of 15 recommendations addressed social protection (seven), long-term care (six), and childcare (two). Under **social protection**, strengthening the adequacy of healthcare is mentioned only for one Member State (Latvia), which again does not seem to reflect the post-COVID challenges in healthcare provision across Member States.

³ Dyakova, Mariana & Hamelmann, Christoph & Bellis, Mark & Besnier, Elodie & Ashton, Kathryn & Schwappach, Anna & Clar, Christine. (2017). [Investment for health and well-being: a review of the social return on investment from public health policies to support implementing the Sustainable Development Goals by building on Health 2020](#)

- An ageing population is a key issue for the EU, and several CSRs aim to make **long-term care services** more accessible and sustainable. The effectiveness of these recommendations could be enhanced by stressing the need to promote healthy ageing. Such investment reduces the number of people in need of care, easing pressure on the public budget, and improving the wellbeing and dignity of older people. When it comes to **childcare**, the focus is on improving access, quality, and affordability. However, only two countries got these specific recommendations. This is despite several Member States still lacking adequate provision of these services, which are cost-saving measures in the long-run, as well as key to a well-functioning economy and wellbeing of children.
- No recommendation was made to address **mental health**. Given the rising trends in mental health issues, with a negative impact on society, employment, and the economy, Member States would have benefitted from recommendations requiring that policies and investment in this sector, including prevention, are stepped up.
- CSRs in **education and skills** were developed for 19 Member States. Policies that prioritise education and measures to equip people with the right skills are essential to achieve people's wellbeing, social mobility opportunities, and a thriving labour market. However, only four countries received recommendations for improving equity and reducing outcome disparities in the educational system. Measures to support skills development for labour market and economic competitiveness need to be better balanced with a strong focus on education to enhance social inclusion. Furthermore, given the mutually reinforcing relationships between education and health outcomes, CSRs also need to incorporate health literacy and health promotion in educational programmes.
- When it came to **housing and energy poverty**, eight recommendations were issued. However, the scale and urgency of these issues across the EU would require stronger attention. Evidence shows that each Euro invested in thermal renovation can yield up to 0.42 Euro in healthcare savings by reducing health risks associated with inadequate heating and dampness. Furthermore, with housing playing a critical role for human and

environmental health and wellbeing, the scope of the recommendations needs to be expanded to include healthy buildings, environments and communities.

- 19 CSRs were related to **environmental aspects**, addressing renewable energy, circular economy, water management, sustainable agricultural, and transport decarbonisation. This strong focus on green policies is positive. However, the scope of issues addressed must be extended to biodiversity, air and noise pollution, healthy food, and the impact of the environment and climate change on health. Promoting **clean air**, for example, brings annual economic growth of €50 billion to €60 billion across the EU, as reducing pollution not only enhances public health but also boosts productivity and reduces healthcare costs.⁴ Furthermore, poor environmental conditions and unhealthy food disproportionately affect disadvantaged communities, contributing to health inequalities and social exclusion.

The Social Convergence Framework: The introduction of the Social Convergence Framework reflects a stronger attention to social and health aspects by highlighting social risks as identified by the Social Scoreboard monitoring system. However, in the absence of an automatic link between identified social risks and Country-Specific Recommendations, it remains unclear how the Framework can be effective in prompting Member States to address their social risks.

The 2024 review of the European Economic Governance Framework: Under the new Economic Governance framework, there is a potential for stronger investment support, including in social and health sectors. By introducing a longer-term perspective to assess Member States' debts and deficits, public expenditure for social inclusion and health promotion is to be considered as productive investment, leading to more sustainable public finance in the future.

However, in the absence of a 'golden rule' to automatically ring-fence social and health investment, the real impact of this narrative on advancing social and health investment will have to be assessed in the coming years.

⁴ Bruegel. (2024). [The economic impact of climate change in Europe: A comprehensive review](#)

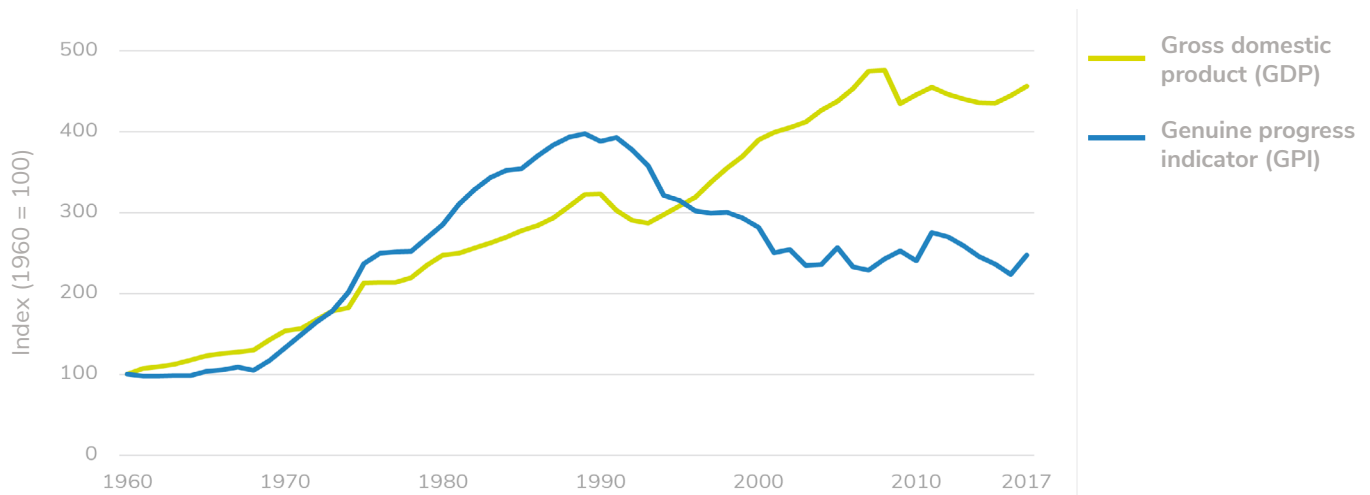


Figure 1. GDP and GPI per capita, Finland, 1960-2017 (indexed)⁵

A wellbeing framework with indicators for the European Semester. With over 100 indicators already existing to assess Member States' performance under the Semester process, there is good potential to shift the focus towards 'wellbeing'. However, it is necessary to develop an adequate Wellbeing framework, setting out different dimensions of wellbeing, accompanied by relevant monitoring tools and indicators. Developing such a framework would make the Semester more relevant to the real needs of citizens.

The European Joint Research Centre (JRC) has initiated work on a 'Sustainable and Inclusive Wellbeing' dashboard by developing a comprehensive framework that incorporates dimensions of current and future human and planetary wellbeing. The JRC found that current EU monitoring tools and indicators have gaps and poorly cover several important dimensions of wellbeing, linked to, for example, governance and basic rights, natural capital, and resilience (long-term sustainability). This is confirmed by EuroHealthNet's analysis, comparing the indicators applied in the Semester process against the key dimensions of wellbeing as developed by the Centre for Thriving Places.⁶

Indicators in several important areas are missing, most notably those linked to mental health beyond access to services, loneliness, trust, cultural engagement, and people's perception of the economy and quality of the local environment.

There is scope to improve the current set of indicators in the European Semester to measure the distribution of wellbeing and to ensure data collected can be further stratified across socioeconomic groups. Furthermore, indicators should focus not just on the availability of certain factors but also on quality: for example, in addition to hospital beds, it is important to collect information on the quality of care given, and employment rate must be accompanied with more information about the quality of jobs.

⁵ European Commission. (2024). [Alternative Measures of Progress Beyond GDP](#).

⁶ Zeidler L. (2023). [Shared Ingredients for a Wellbeing Economy: A Discussion Paper](#)

Policy recommendations

EuroHealthNet's analysis indicates that some progress has been made within the European Semester to advance social, health, and environmental goals. Stronger efforts are, however, needed to reorient the process and achieve a Wellbeing Economy, putting social, health, and environmental goals on equal footing with fiscal and economic objectives.

These are EuroHealthNet's policy recommendations to improve the European Semester process:

1. Strengthening efforts to develop a European Wellbeing Framework within the European Semester process.

It is necessary to invest in progressing current initiatives, such as the European Joint Research Centre, to develop a European Sustainable and Inclusive Wellbeing framework and dashboard with relevant indicators. This initiative will facilitate the process of assessing how Member States are contributing to a range of policy objectives beyond economic growth alone.

2. Prioritising Wellbeing Economy measures in the selection of indicators to be reflected in the Country-Specific Recommendations.

As a first step, indicators such as self-reported mental health and loneliness must be introduced in the Social Scoreboard of the European Pillar of Social Rights. Secondly, the European Wellbeing Framework of indicators needs to be agreed on. This includes equity in health, education for social inclusion, and health literacy, as well as health and wellbeing aspects in housing, climate change, and environmental pollution.

As a further step, a separate shadow report is necessary to complement Member States' national reports to assess the real state of the wellbeing of people and the planet.

3. Improving the impact of the Social Convergence Framework on Member States' policy and reform development.

It will be important to fully embed the Social Convergence Framework in the Semester process, ensuring better links between identified social risks and the formulation of Country-Specific Recommendations.

4. Ensuring stronger social, health, and green investment under the new Economic Governance Framework.

Measures for budget and debt reduction must be balanced with clear and strong Country-Specific Recommendations to invest in health promotion and prevention, going beyond the health systems to include social, employment, environmental aspects, and wellbeing. To this end, tools such as Return on Investment must be embedded in the Semester to safeguard public investment from budget cuts and austerity measures detrimental to social, health, and environmental wellbeing.

During its mandate 2025-2030, the European Commission will prepare a new Anti-Poverty Strategy, strengthen the European Pillar of Social Rights by reviewing its Action Plan, and present a Housing Affordability Initiative. It will be important to prepare these policy frameworks, taking into consideration the Wellbeing Economy, as well as to continue efforts to ensure the European Semester is delivering for people and the planet's wellbeing and to further strengthen the social, health, and environmental dimensions.

Keeping a strong focus on wellbeing is necessary to ensure the current narrative on European competitiveness⁷ will have a social inclusion, health, and cohesion dimension at its centre, preserving our European social model and values of social solidarity, enshrined in European Treaties.

⁷ European Commission. 2024. [EU Competitiveness: Looking ahead](#)

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**EuroHealthNet's mission is to help build healthier communities
and tackle health inequalities within and between European
states.**

EuroHealthNet is a not-for-profit partnership of organisations,
agencies and statutory bodies working on public health, promoting
health, preventing disease, and reducing inequalities.

EuroHealthNet supports members' work through policy and project
development, knowledge and expertise exchange, networking
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EuroHealthNet's work is spread across three collaborating
platforms that focus on practice, policy, and research. Core and
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The Partnership is made up of members, associate members, and
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