

Priorities for promoting the Economy of Wellbeing (EoW)

Highlights from Finland's National Action Plan for the Economy of Wellbeing 2023–2025; Key messages from the International High-Level Group for the Economy of Wellbeing

The High Level Group on the Economy Of Wellbeing

1. The Government of Finland invited a number of high-level experts and representatives of important international partner organizations¹ into an informal High-Level Group on the Economy of Wellbeing. The aim was for Finland to gain from the international and multi-sectoral expertise, advice and moral support of some of the leading champions of the Economy of Wellbeing. At the same time, the meetings of this High-Level Group provided its members with a valuable opportunity to exchange experiences and ideas with each other on how best to promote the Economy of Wellbeing ideas and objectives on various forums at global, regional, national and local levels.
2. This Paper seeks to enhance further global dialogue and progress on the Economy of Wellbeing by summarizing some of the highlights and lessons learned from the national process in Finland in preparing the National Action Plan, as well as providing/summarizing some key messages from the discussions of the International High Level Group on Economy of Wellbeing. All partners are welcome to make use of this summary note in the best ways possible.

Context

3. The Economy of Wellbeing responds inter alia to the following common challenges facing EU countries and beyond:
 - ‘Polycrisis’ and ‘megatrends’: Population growth and ageing; rising inequality, climate crisis, rapidly changing security environment etc. are making it increasingly difficult to improve social, ecological and economical sustainability.
 - ‘Dilemma with fiscal balancing’, meaning how to balance public finances while at the same time safeguarding people's wellbeing and productivity, avoiding unacceptable and socially destabilizing inequality and respecting the planetary ecological boundaries.

¹ Including high-level participation from the EU-Commission, WHO, World Bank, OECD, University of London, WeAll Alliance, EIGE and Government of Finland, all operating in their personal capacity and under Chatham House rules.

The Economy of Wellbeing / wellbeing economy

- a. The Economy of Wellbeing (EoW) refers to the idea that the final goal of economies should be serving the wellbeing of people, communities, societies and nature in a fair and sustainable manner.
- b. Introduced as a concept in the policy practices of various countries, *The Economy of Wellbeing (EoW)* – or interchangeably *The Wellbeing Economy (WE)* – is also understood as a policy orientation and governance approach that puts the people and the planet and their wellbeing at the center of all policy and decision-making.
- c. The core principle of EoW is the imperative for the economic system to respect the planetary boundaries and to serve the collective wellbeing of current and future generations. While the wellbeing of people is a value in itself, the Economy of Wellbeing underlines the mutually reinforcing nature of wellbeing and the quality of economic growth and prosperity.
- d. Growth means accumulation of capital. In the Economy of Wellbeing we recognize the limits to the growth of natural and manmade capital, while we do not yet know the limits of human and social capital. People can still learn more and cooperate better in a society where the level of trust is high. The Economy of Wellbeing enhances prosperity mainly by investing into forms of capital where we have not yet reached the limits.
- e. Taking wellbeing of people and planet into account in all policies is vital to long-term sustainability and societal stability. Equally, achieving a pattern of economic growth and productivity



- ‘Coordination of the transformatory forces’: In our societies we have wide and strong advocacy groups with concurring strong demands for climate justice, socio-economic fairness, wellbeing and health, social and health protection and services, reduction of women’s unpaid care work burden, care deficit and care debt, and the budgetary pressures to cut expenditures. The promotion of a permanent systemic change may require a coordinated effort.
- ‘Growing distrust and polarization in society’: This is based on real widening disparities, and fueled by social media algorithms. People that are most dependent on health and social care feel they have no influence on government policies. These feelings of distrust are reflected in voting behaviour, such as non-voting or voting for parties at the fringes of the political spectrum.
- ‘Overproduction and overconsumption’: They lead to the exploitation of people and planet. How can the EoW advocate for ‘sufficiency’ and shape values and incentives differently from the ones we have now (big cars, far-away holidays and big houses as status symbols etc.) which is also fueling inequality? We have to cut down on material demands/needs and shift this to non-material demands/needs and related services (incl. for health, social, education).

Defining principles and building blocks of the Economy of Wellbeing

4. Many definitions exist by different actors. In this Paper we start from the definition of the EU Council Conclusions from 2019. Some partners promote similar thinking under different headlines, e.g. Wellbeing Economy, Human Rights Economy, Doughnut Economy, Feministic Economy, Eco-Social Economy. While headlines and definitions vary, common denominators between different definitions can be found. These include e.g. an intertwined impact of economy and wellbeing on each other, and the imperative for the economic system to respect the planetary boundaries and to serve the collective wellbeing of current and future generations.
5. There are also different approaches to the methods, indicators and measurement. Governments have tailored the Economy of Wellbeing policy approaches in line with their national contexts and priorities. Nevertheless, the Economy of Wellbeing can best be promoted together, joining forces and cross-learning between all likeminded parallel initiatives. In addition, many of the health (commercial determinants), social (migration and ageing) and environmental (climate crisis) challenges cannot be solved at country-level alone and require cross-national and global cooperation.

that do no harm and contribute to wellbeing of people and planet is ultimately the overarching goal of the Wellbeing Economy

- f. The Economy of Wellbeing inherently addresses environmental sustainability because our wellbeing depends on the quality of the environment and natural resources. The detrimental impacts of climate change and biodiversity loss cause alarming threats to people’s health, wellbeing and livelihoods. We cannot handle economic and social sustainability without addressing at the same time the climate crisis and the degradation of eco-systems. If we fail to achieve ecological sustainability, it will have disastrous consequences on a planetary scale.
- g. The Economy of Wellbeing is at the heart of the United Nations 2030 Agenda for Sustainable Development. For development to be sustainable the economic, social and ecological dimensions of development have to be addressed in a balanced way. The Economy of Wellbeing is a useful overarching concept and tool which can be used to give equal weight to economic, social and ecological dimensions of sustainable development. The EoW is an inclusive approach where the distribution of well-being outcomes (*‘beyond the average’* and *‘leaving no-one behind’*) is a defining characteristic of the approach.
- h. In response to active civil society, and other initiatives on the topic, the Government of Finland introduced the concept of Economy of Wellbeing to the EU during Finland’s EU Presidency 2019. This discussion led to the EU Member States agreeing on [EU Council Conclusions on the Economy of Wellbeing](#). This process benefited from a valuable piece of [background analysis by the OECD, commissioned by Finland](#). The EU Council Conclusions have provided an excellent foundation for advancing the work on the Economy of Wellbeing in Finland and wider Europe.
- i. To follow-up the EU Council conclusions, the Government of Finland



6. The basic principles of the Economy of Wellbeing include the objective of equality and inclusion of all, including – but not limited to – gender equality. The EU Wellbeing Economy Coalition is promoting a system built around five core interconnected values: participation, fairness, purpose, nature and dignity”

Priorities for promoting economy of wellbeing

7. **The Finnish National Action Plan** included five main recommendations for the Economy of Wellbeing 2023–2025. The priorities for promoting the Economy of Wellbeing in the years to come will be:
 - a. To continue the preparation of a national steering model for the Economy of Wellbeing;
 - b. To examine how the monitoring of wellbeing, as part of sustainability thinking, can be made a more integral part of the key decision-making processes of the central government, regions and municipalities;
 - c. To develop impact assessments and to strengthen competences;
 - d. To exercise influence globally and within the EU, including the European Semester for economic policy coordination;
 - e. To strengthen inclusion.
8. **The International Group of High Level Advisers** concluded – among other things – that:
 - a. In the Economy of Wellbeing, the aim is to act on the drivers of **wellbeing and health of the planet, its people and its communities** both now and in the future, and **how economic solutions could best support this**. We know what drives ill health, social exclusion and planetary breakdown. But we do not know yet enough how best to act against this in such a way that everyone is on board and we still have a thriving economy
 - b. More research is needed on this, and could constitute one of the priority actions of the International Group or its member institutions.
 - c. The Economy of Wellbeing requires a **whole-of-society approach** including a wide range of stakeholders. At country-level this means functional cooperation at all levels and sectors, and between ministries, academics, civil society, companies etc. It is important to share know-how and benchmark good practices nationally and internationally. For this to happen, we need structures and operating models that support cooperation.
 - d. Pursuing the concept of Economy of Wellbeing **requires coordinated and improved use of existing competences and structures**, and calls for a renewed emphasis on people as the key drivers of wellbeing. To secure sustainable

engaged a wide network of domestic experts into a participatory process to design [Finland's National Action Plan for the Economy of Wellbeing 2023–2025](#). The Action Plan was launched in March 2023. It seeks to ensure that wellbeing data and information will be used increasingly in decision-making along with the economic and environmental data.

- j. Governments, international organizations and civil society actors around the globe are already promoting and developing the core ideas of the Economy of Wellbeing under various headlines (e.g. Wellbeing Economy, Doughnut Economics, Economy of Health for All, Feminist economics, Eco-Social Economy). Implementation of the Wellbeing Economy requires a long-term process of change, and safeguarding the continuity of the Economy of Wellbeing approach is a common task.
- k. The work done and led by Finland and others thus continues to contribute to the joint objective of countries to go [‘Beyond GDP’](#) and [‘Beyond growth’](#) in assessing progress.
- l. In this wide movement some partners are challenging the feasibility of growth and promoting a system change for *‘sufficient’* prosperity through *‘de-growth’*. Others want to make growth *‘greener’* and *‘more social’* without questioning the necessity of at least some growth. In-between these groups are those who speak about *‘post-growth’* or *‘beyond growth’*, meaning that it is probably more important and that it is probably more fruitful to pay attention to and invest into other aspects of prosperity than GDP growth.
- m. But while we may have somewhat different view points, we all acknowledge that our existing economic models and measurements overlook many aspects that sustain life and contribute to wellbeing, while perversely placing disproportionate value on activities that deplete the planet. GDP does not account for human wellbeing, environmental sustainability,



progress across government terms and crisis periods it is necessary to institutionalize the processes through which the Economy of Wellbeing can be implemented.

- e. A horizontal approach that can seize **synergies across different policies** and ensure that policy measures in one part of government are aligned with ambitions in another part, is fundamental to the realization of the Economy of Wellbeing. This requires **integrating policy measures** and structures in different policy sectors - such as social, gender, health, finance, employment, security, education and environmental sectors- **through a coherent framework**; as well as building effective and equitable measures in these sectors.
- f. There is wide interest for the Economy of Wellbeing in governments and in international institutions. It is important for international actors to actively support **widely participatory national work, leaving no-one behind**. Global interdependencies need to be recognized and partial optimization in geographically limited areas avoided: It is not enough to create sophisticated and progressive ideas in Europe only. Sustainability requires leaving no nation behind. And no region. Solutions cannot be exported as such to different kinds of contexts but they will always have to be locally co-created and owned. Europe also has to learn from the Economy of Wellbeing experiences and innovations in other continents.
- g. It is essential to search and **generate relevant data and information for the monitoring and promotion of the Economy of Wellbeing**. The whole-of-government approach requires effective structures for cross-sectoral collaboration. New shared frameworks and analytic methods in the development of new statistics and analytic methods can be developed for wellbeing impact assessments to strengthen knowledge-based policy and decision-making.
- h. Wellbeing is based on interaction, inclusion and trust. It is important to be inclusive in what people personally value and to **understand people's views and ideas about 'future wellbeing'**. Deliberate efforts have to be taken to reduce inequalities in order to realize everyone's right to meaningful participation. We need to make sure that the necessary (green, digital, care economy) transitions are fair and just. There will be a high need for capacity building to support people in these transitions (changing jobs etc.)
- i. Achieving an Economy of Wellbeing / Wellbeing Economy will inevitably lead to difficult decisions and tradeoffs between our favorite objectives, be they in the areas of health, education, equity, technology or environment; decisions that will not be able to meet all objectives nor make everyone happy. In order to remain within planetary boundaries and to ensure more social equality, we are going to have to go through transitions with far-reaching implications for the profits, benefits, privileges and production and consumption behaviours of a lot of powerful people, companies and other institutions. Realizing the necessary changes will not come easily. The Economy of Wellbeing will need to particularly zoom in to find solutions for these tradeoffs and compromises.
- j. Going forward, we have to make use of good examples – e.g. on how the Economy of Wellbeing approach can help us better manage the fundamental pillars of wellbeing and sustainable development such as food chains, water and health. We

unpaid household services such as care work, and the biased distributional dimensions of economic activity. Moreover, it fails to capture the human and environmental destruction of some economic activities. Harmful practices, such as deforestation, overfishing and the burning of fossil fuels, often contribute to increases in GDP.

- n. We share also the same clear overarching goal of not exploiting people or planet for the profit of few. Our common objective is to fully integrate the Economy of Wellbeing into global, national, regional and local decision-making.



should take a two-tier approach. One is sharing information and good practices on the “low hanging fruit” examples, and the other one is to take some of the more difficult topics and work on sharing solutions there.

- k. All nations take some pride in some aspects of sustainable development that they are relatively good at. These can become a source of inspiration for other countries. For instance Finnish ministers addressing the UN meetings typically like to speak about the long parental leaves shared equally by Finnish mothers and fathers, and about the high quality public child care system. They are social policy innovations with remarkably high Economy of Wellbeing benefits through the labour market participation that are (equally) high for Finnish women and men.

20. Questions?

- a. How can we best share with each other some of the best practices and lessons we have learned in promoting the Economy of Wellbeing policies?
- b. How can we best share our ideas with partners outside of Europe, in other sectors and in professional groups and institutions that may not be as familiar as we are with the Wellbeing Economy ideas and perhaps less motivated to identify and assess Economy of Wellbeing impacts – positive or negative – of their choices and action?
- c. How can we learn to identify and analyze the Economy of Wellbeing impacts of our actions in important but less obvious sectors e.g. housing, energy and public transport policies?
- d. How can we most fruitfully collaborate with the autonomous and active civil society and deal with the commercial determinants of health and wellbeing with private sector partners?
- e. What are the key challenges and opportunities ahead? What are the priorities for future work? What can you do? What can we do?