

Policy Brief: In Conversation Round Table

Improving the health and wellbeing of the population and the planet requires transitioning from economic policies that measure a narrow range of economic indicators to a wellbeing economy. A wellbeing economy is one that is both prosperous and delivers equitable distribution of wealth, health, and wellbeing, while protecting the planet's resources for future generations and other species. It is designed to be equitable, restorative and regenerative.

There is growing attention being paid to the wellbeing economy both conceptually and in practice. Systemic and empirical evidence is currently evolving and there is a growing focus on investing in strategies designed to deliver wellbeing outcomes including through the Sustainable Development Goals. Strategies include domains such as education, governance, environment, climate, social equity, housing – the broad determinants of wellbeing. Examples from city, state and country are provided.

The establishment of mechanisms to ensure equitable community engagement, confirming a social contract with the community, setting up robust accountability structures and key indicators for measuring progress and making a long-term commitment are all critical to successful implementation of the wellbeing economy. And multisectoral action is essential.

The COVID-19 pandemic has reinforced the interdependent links between health, the environment and the economy. It is timely for the health promotion community to step up and support the movement towards the wellbeing economy.

The Wellbeing Economy is within reach – Let's grasp it for better health.

What is the problem?

It is well understood that ensuring the health and wellbeing of the population and the planet requires action on a wide range of social, economic, cultural and environmental determinants. Current economic policies typically pay insufficient heed to these determinants compromising the future health of the planet and inadequately considering the impact of inter-generational transfer of wealth and resources. We now have a critical opportunity to pivot economic policy towards a wellbeing economy.

What is the solution?

As far back as Confucius, philosophers and leaders across political spectra have identified the benefits of societal wellbeing, though often using different terminology. Over the 20th century, however, economic policy often focused on income, outputs, spending and economic prosperity as key measures of progress with less attention being paid to wellbeing measures such as equity, health, environment and culture.

The notion of the “wellbeing economy” is gaining traction as an approach to building sustainable and resilient ecosystems and wellbeing in the community. A wellbeing economy is one that is both prosperous and delivers equitable distribution of wealth, health, and wellbeing, while protecting the planet's resources for future generations and other species. It positions the economy as an enabler of societal outcomes, shifting the drivers of government decision-making away from economic growth for its own sake to an economy that is equitable, restorative and regenerative by design. (Hough-Stewart *et al* 2019).

Countries, cities and regional authorities around the world are increasingly investing in strategies designed to deliver a wellbeing agenda using mechanisms including legislation, wellbeing budgets, frameworks and indicators, and citizen action (Wellbeing Economy Alliance, n.d.). They are designed to report on wellbeing in the same way GDP is reported, focusing government decision-making, and increasing accountability.

Authors:

Prof Ilona Kickbush - *Global Public Health Expert.*

Prof Arthur Grimes - *Chair of Wellbeing & Public Policy, Victoria University of Wellington.*

Dr Sandro Demaio - *CEO VIC Health.*

Assoc Prof Carmel Williams - *Director, Centre for Health in All Policies Research Translation.*

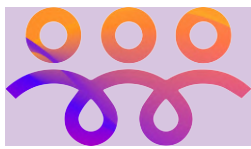
Prof Evelyne de Leeuw - *Editor in Chief, Health Promotion International.*

Michele Herriot - *Public Health Consultant.*

[To watch the In Conversation Round Table click the link below:](#)

[The Wellbeing Economy: Is it the Solution?](#)





Policy Brief: In Conversation Round Table

What is the evidence of effectiveness?

There is growing attention being paid to the wellbeing economy both conceptually and in practice. Systemic and empirical evidence is currently evolving. Two examples - New Zealand and Wales, are recognised as taking a comprehensive approach, with sound governance and the inclusion of goals and targets based on meaningful input from the community. They indicate that embracing a wellbeing economy allows for better integrated policies for health and wellbeing equity.

New Zealand

- In 2019 New Zealand developed a wellbeing budget with five priorities:
- 1: Supporting mental wellbeing for all New Zealanders.
 - 2: Reducing child poverty and improving child wellbeing, including addressing family violence.
 - 3: Lifting Māori and Pacific incomes, skills and opportunities.
 - 4: Supporting a thriving nation in the digital age through innovation, social and economic opportunities.
 - 5: Creating opportunities for productive business, regions, iwi and others to transition to a sustainable and low-emissions economy. (The Treasury, 2019a)

The Public Finance Act requires the Government's Budget Policy Statement to explain how investments under the Budget meet the wellbeing objectives and support long-term wellbeing in New Zealand.

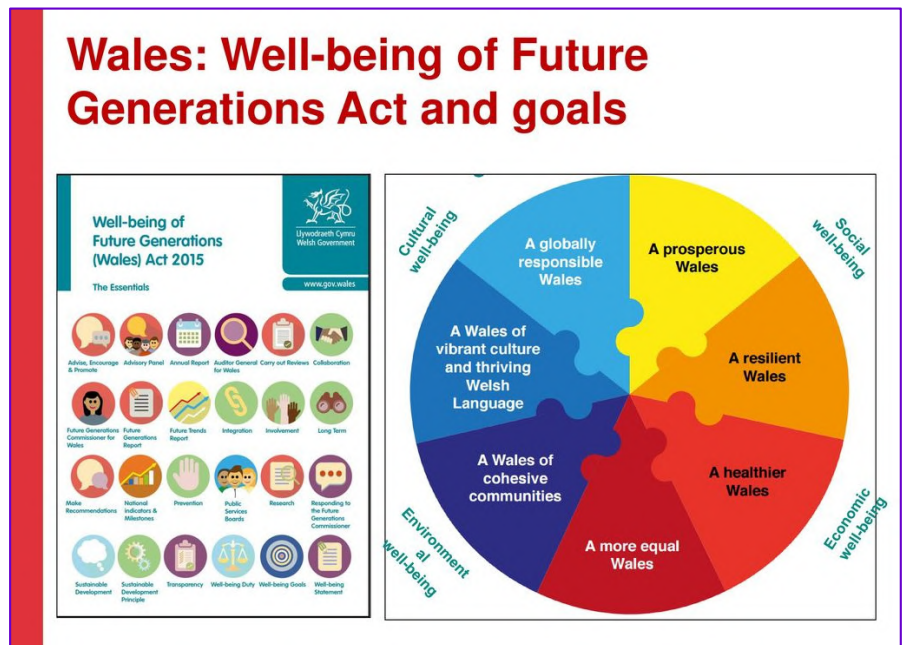
The government has developed the Living Standards Framework (LSF), which tracks progress across three sections: (1) *Our people*. (2) *Our country*. (3) *Our future*. (The Treasury, 2019b). The framework built on the approaches of the Organisation for Economic Co-operation and Development (OECD) and the UN Sustainable Development Goals.

Wales

The Welsh Governments' Wellbeing of Future Generations (Wales) Act 2015 was set up to give Wales "the ambition, permission and legal obligation to improve our social, cultural, environmental and economic wellbeing. ... (It) requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change." (Future Generations Commissioner, 2021). The 'Wales We Want National Conversation' and other engagement mechanisms informed the details of the Act (Cynnal Cymru, 2021).

The Act identifies seven wellbeing goals designed to ensure Wales becomes more prosperous, resilient, healthier, more equal and globally responsible, with cohesive communities, a vibrant culture and thriving Welsh language (see Figure 1) (Future Generations Commissioner, 2021).

Figure 1: Wales - Wellbeing of Future Generations Act and goals



Monitoring and accountability structures are built into the legislation. An independent Future Generations Commissioner has been appointed to act as a guardian of the ability of future generations to meet their needs and to encourage public bodies to take greater account of the long-term impact of their actions.

The Auditor General can seek evidence from public bodies, including the Welsh Government, to demonstrate how they have implemented the sustainable development principle. (Future Generations Commissioner, 2021).

New Zealand Budget 2019

Topline spend on the Government's five Wellbeing priorities





Policy Brief: In Conversation Round Table

Early adopters and early wins

Countries progressing the wellbeing agenda, in various forms, number over 20 and include New Zealand, Iceland, Finland, Scotland, Canada, Bhutan, Thailand, India, and the United Arab Emirates (Wellbeing Economy Alliance, 2021).

Cities and sub-regions also offer great promise for trialling, refining and sustaining the wellbeing economy agenda. Amsterdam (Nugent, 2021) has used Kate Raworth's Doughnut Economics (Raworth, 2017) (see Figure 2) to inform their COVID-19 recovery, seeking an economy in balance between social foundations and an ecological ceiling. Infrastructure projects, employment schemes, and policies with a focus on protecting the environment, reducing social exclusion and guaranteeing good living standards are being progressed. Other cities including Barcelona, Spain (Wellbeing Economy Alliance n.d.) and Portland, Oregon (The Knowledge Hub, 2021) are acting in this space.

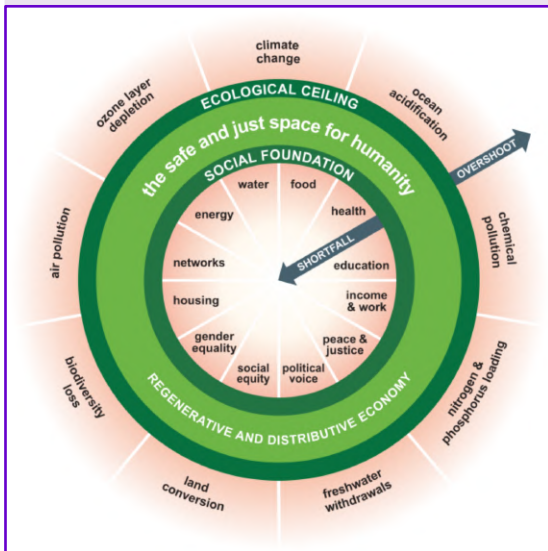


Figure 2: The doughnut of social and planetary boundaries by Kate Raworth

Policy adoption and implementation

There are many internal and external opportunities for jurisdictions and communities to move toward practices that contribute to a wellbeing economy. Challenges in meeting the UN's Sustainable Development Goals, the need to address climate change, and global responses to the COVID-19 crisis highlight the interdependent links between health, the environment and the economy. These developments, at home and globally, demand urgent policy action, requiring changes to prevent economies expanding unsustainably and inequitably.

Policy implementation challenges include:

- Creating and sustaining mechanisms to ensure equitable community engagement in setting priorities including overcoming structural and cultural barriers to participation.
- Establishing a new social contract between government and citizens that focuses not only on the present but also future generations.
- Developing a common understanding of the components of wellbeing (social, health, economic, environmental) and the potential suite of strategies that can contribute to equitable wellbeing outcomes.
- Identifying the level at which to act – local, city, region or nation – to ensure there are early wins encouraging commitment in the long term.
- Reaching agreement on how wellbeing will be measured including targets, indicators for inclusion and reporting, and accountability mechanisms.
- Ensuring governments require and support multi-sectoral action integrated with community action.
- Sustaining the effort.

Growing international experience provides evidence to inform policy decisions and practice.

There appears to be support from a wide field. Those interested in 'ensuring no-one is left behind' will be dedicated to a system that measures wellbeing and takes action to address failures. Global institutions including WHO (WHO, 2021), OECD (OECD, n.d.), and the World Economic Forum (Benjamin, 2015) are all exploring this concept.

Bridging the political divide will be essential but both progressive and conservative governments have shown interest in this approach. For instance, Finland's liberal Presidency of the Council of the European Union saw the 2020 adoption of a proposal on the 'economy of wellbeing' (Council of the European Union, 2019), while the Cameron UK government (Politics.co.uk, 2006) and the Sarkozy French government (Easterlin, 2010) each championed wellbeing approaches to policy.

In Australia, the Australian Capital Territory (ACT) Government has started this movement with their recent adoption of the ACT Wellbeing Framework (ACT Government, n.d.). The 12 domains of wellbeing, which will be monitored, include the economy, education and learning, health, governance and institutions, environment and climate and social connection. The more proximal government structure and opportunities for innovation each offer opportunities for cities to be leaders with visionary approaches and this could spur others to follow or even leapfrog ahead.

Join the movement/next steps/the way forward.

Health and wellbeing have never been as visible and important as during the pandemic. The idea that no-one is safe until everyone is safe urges us to behave as globally responsible citizens and offers a critical time to progress policy action on the wellbeing economy. There is growing attention being paid to the wellbeing economy by policy-makers, academics, economists, community and environmental organisations and other key partners and advocates.

The wellbeing economy can help create a more sustainable and just society. It builds systems that are innovative, adaptive, and responsive and that are collaborative and multisectoral by nature, working across boundaries to deliver joined-up responses to societal challenges and opportunities.

Building on the strong credentials of the Ottawa Charter for Health Promotion and Health in All Policies, now is the time for the health promotion community to step up and support the movement towards the wellbeing economy.



Policy Brief: In Conversation Round Table

References:

- ACT Government. (n.d.) ACT wellbeing framework. <https://www.act.gov.au/wellbeing> (last accessed 30 September 2020).
- Benjamin D.J., (2015) How should we measure wellbeing? World Economic Forum. <https://www.weforum.org/agenda/2015/01/how-should-we-measure-wellbeing-2/> (last accessed 30 September 2021).
- Council of the European Union (2019) Council conclusions on the economy of wellbeing (2019/C 400/09). [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019XG1126\(06\)&rid=5](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52019XG1126(06)&rid=5) (last accessed 30 September 2021).
- Cynnal Cymru (2021) The Wales we want. <https://cynnalcyrmru.com/the-wales-we-want-national-conversation/> (last accessed 30 September 2021).
- Doughnut Economics Action Lab. (2021) About doughnut economics. <https://doughnuteconomics.org/about-doughnut-economics> (last accessed 30 September 2021).
- Easterlin R. A. (2010) Well-Being, front and center: a note on the Sarkozy report. *Population and Development Review*, 36(1), 119–124. <http://www.jstor.org/stable/25699039>.
- Future Generations Commissioner for Wales (2021) Well-being of future generations (Wales) Act 2015. <https://www.futuregenerations.wales/about-us/future-generations-act/> (last accessed 30 September 2021).
- Hough-Stewart L., Trebeck K., Sommer C., Wallis S (2019) What is a wellbeing economy? Wellbeing Economy Alliance. <https://weall.org/wp-content/uploads/2019/12/A-WE-Is-WEAll-Ideas-Little-Summaries-of-Big-Issues-4-Dec-2019.pdf> (Last accessed 30 September 2021).
- Nugent C. (2021) Amsterdam Is embracing a radical new economic theory to help save the environment. Could it also replace capitalism? *Time Magazine*, February 1, 2021. <https://time.com/5930093/amsterdam-doughnut-economics/> (last accessed 30 September 2021).
- OECD (n.d.). Measuring well-being and progress: well-being research. <https://www.oecd.org/statistics/measuring-well-being-and-progress.htm> (last accessed 30 September 2021).
- Politics.co.uk. (2006) Cameron: there is more to life than money. *Politics.co.uk* 22 May 2006. <https://www.politics.co.uk/news/2006/05/22/cameron-there-is-more-to-life-than-money/> (last accessed 30 September 2021).
- Raworth K. (2017) Doughnut economics: seven ways to think like a 21st century economist. London: Random House, 2017.
- The Knowledge Hub. (2021) Thriving cities initiative. https://www.c40knowledgehub.org/s/topic/0TO1Q0000000kepXWAQ/thriving-cities-initiative?language=en_US (last accessed 30 September 2021).
- The Treasury, Te Tai Ohanga (2019a) The wellbeing budget 30 May 2019. NZ. <https://www.treasury.govt.nz/sites/default/files/2019-05/b19-wellbeing-budget.pdf> (last accessed 1 October 2021).
- The Treasury, Te Tai Ohanga (2019b) Our living standards framework. Thursday 12 December 2019. The Treasury, NZ. <https://www.treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework> (last accessed 30 September 2021).
- Wellbeing Economic Alliance (2021) What does it mean to be a WEAll member? <https://weall.org/members> (last accessed 1 October 2021)
- Wellbeing Economy Alliance. (n.d.) Wellbeing economy policy design guide. https://wellbeingeconomy.org/wp-content/uploads/Wellbeing-Economy-Policy-Design-Guide_Mar17_FINAL.pdf (last accessed 30 September 2021).
- Welsh Government, Llywodraeth Cymru (2015) Wellbeing of future generations (Wales) Act 2015. The essentials. <https://www.futuregenerations.wales/wp-content/uploads/2017/02/150623-guide-to-the-fg-act-en.pdf> (last access 30 September 2021).
- WHO (2021) WHO Council on the economics of health for all. <https://www.who.int/groups/who-council-on-the-economics-of-health-for-all> (last accessed 30 September 2021).

