A WELLBEING ECONOMY AGENDA TO HELP SHAPE THE POST-CORONAVIRUS ECONOMY

By: Katherine Trebeck

Summary: COVID-19 revealed that enormous shifts in policy are possible. In many European countries, the cleavages in labour markets laid bare by COVID-19 illuminate an economy that generates insecurity and despair; an economy that does not account for nature; is blind to distribution; and which puts measures of progress such as Gross Domestic Product (GDP) to the fore. In contrast, the wellbeing economy agenda promotes economic systems that deliver human and ecological wellbeing. It demands major transformation in businesses, infrastructure, work, decision making, and so on. Fortunately, there is good practice within a growing movement, including pioneering policymakers (such as the Wellbeing Economy Governments partnership).

Keywords: Wellbeing Economy, System Change, Social Justice, Sustainability

Introduction: A fork in the road

COVID-19 has revealed that enormous shifts in policy are possible. Alongside extraordinary changes in behaviours have come extraordinary changes in policy and spending by governments. Policies previously dismissed as ‘unrealistic’ are being seriously discussed and levels of government intervention that would have been baulked at in many countries are now being rolled out. This constitutes a perhaps unprecedented fork in the road for societies and economies around the world. Could this mean that 2020, the year a virus did so much harm to so many, becomes the catalyst for long overdue economic system change that places human and ecological health and wellbeing at the centre?

Normal was the problem

Is the economy of pre-COVID-19 days, with its dependence on growth and with GDP as its key performance indicator, one that is worth trying to return to?

The pandemic has revealed that the workers who really keep European societies going are often underpaid in precarious jobs: workers hitherto dismissed as ‘low skill’—the couriers, the supermarket staff, the care workers, and the refuse collectors. But during lockdowns they are keeping the essential shops open, the streets clean, delivering groceries (and books and jigsaws the more privileged turned to), and caring for sick and older people.

> #EHFG2020 – Opening plenary link: https://www.youtube.com/watch?v=b-uO-3SN5J4

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Equally, just as the cleavages in labour markets have been laid bare by COVID-19, inequalities that pervaded societies (such as the United Kingdom’s pre-COVID mean that its impacts are being felt in dramatically different ways for different people. Some people will suffer terribly, and some will not – from the health threat, from lockdowns and from the subsequent economic upheaval.

Economic systems need to be structured in a way that delivers human and ecological wellbeing.

Why go back to an economy that treats many of our most essential workers so badly and which implicitly tolerates such inequalities? The economic systems of some countries generate insecurity, despair and loneliness, which spurs desperate searches for ways to cope, whether at the pill box or the ballot box.

Now that the extent to which government can shape the economy has been revealed, a return to the ways of the pre-COVID economy would be to consciously choose an economy rife with injustice – and which in turn has driven the earth to the brink of the sixth mass extinction with the prospect of catastrophic climate break down getting closer and closer.

The root cause is how the economy is currently designed – in a way that does not account for nature, in a way that is blind to distribution of resources, and in a way that puts measures of progress such as short-term profit and GDP to the fore.

In ‘developed’ countries, the benefits of growth are entering a stage when they bring less ‘bang for their buck’ (what economists would term ‘diminishing marginal returns’). Indeed, for countries with higher GDP per person, a lot of what is counted as growth (rises in GDP) is driven by helping to fix and clean up the harm done in its pursuit. For example:

- Cleaning up after a flood that was caused by a warming climate
- Hospital care for people who are stressed and turn to drugs
- Medical treatment for people whose asthma is made worse by the pollution in our streets
- Night shelters for people made homeless
- Security guards and CCTV cameras because citizens are scared of each other

Many of these expenditures have their roots in an economic system that has created inequality and poverty and that does not take good enough care of the environment. This begs a course correction: a new purpose for the economy and a new political ambition to deliver it.

A wellbeing economy

The idea of wellbeing is not new. What the combination of the term “wellbeing” with the “economy” conveys, is that economic systems need to be structured in a way that delivers human and ecological wellbeing. An economy designed explicitly andconcertedly to deliver social justice and a healthy environment constitutes a substantial repurposing of the economy away from its growth orientation. It demands major transformation in the operation of businesses, the design of infrastructure, the nature of work, decision making mechanisms, international relations, provision of basic needs, and so on.

The idea of a ‘wellbeing economy’ has been gaining attention in recent years. It has been the subject of an ‘own-initiative opinion’ of the European Economic and Social Committee (EESC), and All Party Parliamentary Group meeting and an Early Day Motion in the UK Parliament; supported in local council resolutions in Scotland; covered by a flurry of media reports; advocated in Prime Ministerial speeches; and championed in a Ted talk by Scotland’s First Minister.

Alongside this growing discussion is different interpretations of wellbeing. Contrasts between respective conceptualisations often relate to where to situate political responsibility and policy focus. For example, the call from advocates of subjective wellbeing is often for immediate treatment for individuals suffering stress and anxiety; for instance, investment in mental health support to help people survive and cope with current circumstances and thus to boost their reported wellbeing. Whereas advocates for the system change conceptions of wellbeing, while in agreement with the vital importance of helping people survive and cope with current circumstances, would point to the need to also pay attention to those circumstances themselves: the drivers of stress and anxiety, rather than settling for merely treating those who experience them.

This is where the wellbeing economy agenda comes in: with an explicit call for system change. Building a wellbeing economy means protecting people, keeping them safe, meeting their needs, ensuring their security (of income, of identity, and of body) and recognising the whole ecosystem in which people live their lives and maintain health. By reorienting goals and expectations for business, politics and society, I believe a wellbeing economy would deliver good lives for people, rather than allowing harm to be done that then requires much effort to attend to. It will not undermine people and the environment, and so will avoid having to deliver expensive downstream intervention to fix the damage caused by the growth focused economic model. For example, because the natural world is not being harmed to such an extent there would be less cleaning up, sequestration, and remedial work to be done; because people’s fundamental human needs are being met, there would be less need for costly downstream acute intervention efforts to heal and fix the lives damaged by an extractive economy. In ensuring everyone is above a social foundation (see doughnut economics), a wellbeing economy will address poverty, unemployment, illness, illiteracy, and homelessness. We know that more egalitarian societies are better for all their members: delivering better
First Minister, Nicola Sturgeon, considers economic growth as government under the leadership of Prime Minister Jacinda Ardern.

Eurohealth are often framed with an assumption that economic growth is always good – implying it is impossible to have too much or the wrong kind. A wellbeing economy could thus reduce the need for some costly state services, highly paid ‘downstream professionals’, and the politically fraught and inefficient process of redistribution. It is about actively building an economic system that is designed to deliver equitable distributions of wealth and opportunity whilst rejuvenating our planet.

**Box 1: Progress in building a wellbeing economy**

By: Dorli Kahr-Gottlieb, Secretary General, European Health Forum Gastein

The concept of a wellbeing economy that moves away from focusing foremostly on economic growth and instead sees growth only as a good thing in service of the higher order goals of wellbeing, is increasingly recognised as a policy goal by a handful of governments.

Scotland’s First Minister, Nicola Sturgeon, considers economic growth as subservient to objectives to improve collective wellbeing. This approach gives equal importance to tackling inequality as well as economic competitiveness, while ensuring a transition to a carbon zero economy where no one is left behind.

New Zealand’s government under the leadership of Prime Minister Jacinda Ardern has recognised the importance of a wellbeing economy and steps have been taken via the budget to ensure GDP growth is in service of wellbeing goals and in line with the values of the people. Priority areas include child poverty, mental health, the importance of fairness, and the protection of the environment – while aiming for a sustainable and low-emission industry for future generations and supporting businesses in this transition.

A group of governments have formed the Wellbeing Economy Governments partnership (WEGo), discussing the pressing economic, social and environmental challenges of our time with the shared ambition of implementing innovative policy approaches to build wellbeing economies. Members of WEGo are Scotland, New Zealand, Finland, Iceland and Wales who share the vision that “development in the 21st century entails delivering human and ecological wellbeing.”

The Economy of Wellbeing was also one of the priority topics of the Finnish Presidency of the Council of the European Union in the second half of 2019. Conclusions were adopted, calling on the European Commission and Member States to integrate a cross-sectoral economy of wellbeing perspective into all policy areas. The Council conclusions were adopted as a basis for further work on the concept in Europe.

This means there is a risk that this window of possibility COVID-19 presents will close again very quickly – that a “rollback” will come as politicians rush to return to how things were. Despite the mounting evidence that people do not want to return to pre-COVID scenarios: in the United Kingdom for instance, polling in May 2020 revealed a majority of people wanted governments to prioritise health and wellbeing over GDP during the crisis and almost two-thirds seeking big or moderate changes in how the economy is run in the future (only 6% of people reported wanting no changes).

Fortunately, there are pockets of good practice to build on and a growing movement is forming around the idea of a wellbeing economy (see Box 1).
It comprises academics laying out the evidence base, businesses harnessing commercial activities to deliver on social and environmental goals, and communities working together not for some monetary reward, but following innate human instincts to be together, to cooperate and collaborate.

These efforts will be made so much easier the more pioneering policymakers (such as those participating in the Wellbeing Economy Governments partnership, Box 1) embrace the need for an economy that delivers human and ecological wellbeing. Such policies matter because for all the pioneers building a wellbeing economy in microcosm today, they will remain isolated until institutions, financial flows and more businesses are designed to be regenerative rather than extractive; until the tax system rewards activities and businesses needed for a wellbeing economy and discourages those counter to it; until prices of goods and services include full costs (for example, many polluting forms of travel do not price in their environmental impact); and until new measures of progress closer to what matters most to many people and planet replace GDP.

Conclusion

At the end of the second world war, William Beveridge, the architect behind the United Kingdom’s post war welfare system and National Health Service wrote on the opening pages of his report: ‘A revolutionary movement in the world’s history is a time for revolutions, not for patching’ (quoted in Box 1). COVID-19 has certainly created a revolutionary moment – the wellbeing economy could be the revolution that meets the moment.

References

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