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Wellbeing Economy

Wirtschaften für sozial-ökologisches Wohlergehen





Liebe Leser:innen!

Die Covid-19 Pandemie hat bestehende, multiple Krisen unserer Gesellschaft aufgezeigt und weiter verschärft. Für die Regierungen bietet deren Bewältigung jetzt jedoch echte Chancen, einen grundlegenden Strukturwandel unseres Wirtschafts- und Gesellschaftssystems voranzutreiben. Ein Ansatz, der in der europäischen Diskussion zunehmend an Bedeutung gewinnt, ist jener der „Wellbeing Economy“. Dieses Konzept hinterfragt das Streben nach immerwährendem Wachstum und will eine Wirtschaft aufbauen, die dem Wohlergehen der Menschen und des Planeten gleichermaßen dient. Menschenwürde, intakte Natur, Zugehörigkeit, Gerechtigkeit und Partizipation sind dabei zentrale Elemente. Der wirtschaftliche Erfolg soll nicht mehr nur am BIP festgemacht werden. Vielmehr kommt es darauf an, dass Wirtschaft und Gesellschaft gedeihen, niemand zurücklassen wird (Just Transition) und planetare Grenzen geachtet werden.

In Europa und darüber hinaus entstehen Netzwerke und Allianzen, die diese Vision vorantreiben. Erwähnenswert ist in diesem Zusammenhang die Wellbeing Economy Alliance (WEAll), eine breite internationale Bewegung, die knapp 300 Mitgliedsorganisationen zählt.

Wie vielversprechend der Ansatz der Wellbeing Economy ist, zeigt auch die Formierung der Wellbeing Economy Governments (WEGo) – ein Zusammenschluss von Regierungen, die sich verpflichtet haben, sich in ihrer Politik und ihren Haushalten am Konzept der Wellbeing Economy zu orientieren. Aktuell zählen dazu Schottland, Neuseeland, Island, Wales und Finnland. Sie alle haben ihre Ambitionen durch erste Rechtsvorschriften und Rahmenwerke untermauert und sich vom BIP als primäre Messgröße für den Erfolg ihres Landes gelöst. Darüber hinaus plant auch Deutschland unter dem neuen Bundesminister für Wirtschaft und Klimaschutz, Habeck, das BIP um ein sozial-ökologisches Indikatorenset zu erweitern.

Auch die Europäische Union unterstützt den Weg in eine Wellbeing Economy. Im 8. Umweltaktionsprogramm wurde im Dezember 2021 die Wellbeing Economy als vorrangiges Ziel der EU-Umweltpolitik aufgenommen und in der EU-Gesetzgebung verankert. Jetzt liegt es an der politischen Bereitschaft der 27 EU-Mitgliedstaaten, diese Vision rasch zu realisieren.

Wie Visionen, Politikgestaltung und Engagement für eine Wellbeing Economy aussehen können, zeigen wir auf den folgenden Seiten. Viel Spaß beim Lesen!

Maria Langsenlehner
Policy Officer for Economic Transition im EU-Umweltbüro

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Welcome to the wellbeing economy

Two years into the COVID-19 pandemic, there is no return to ‘normal’ in sight. ‘Normal’ was a fiction anyway. Eternal growth was busy burning out people and planet alike. Despite bringing misery and division, the pandemic also offers valuable opportunities to heal broken bonds between people, and between people and nature. We need to see and then seize them.



Foto: © Nick Meynen

By Nick Meynen

Governments’ responses showed that political arrangements that seemed locked could change fast. This crisis is not about saving banks but saving people. Securing our wellbeing is now the goal, but there is no public health without a healthy planet. The emergence of the “planetary health” concept demonstrates that the health of the planet and our health are more directly related than we used to imagine and that this pandemic is just one example of those links.

This crisis is not about saving banks but saving people. Securing our wellbeing is now the goal, but there is no public health without a healthy planet.

The European Environment Bureau and several of our members, including EU-Umweltbüro, are working hard to translate this cutting-edge science into a new political-economic paradigm. Turning fear into hope² came out in

April 2020 and focused on the here and now for European leaders and EU-wide responses. Towards a wellbeing economy that serves people and nature³ came out in April 2021 and went deeper into the systemic changes needed to use this moment to go from greening capitalism to a wellbeing economy. Finally, Turning Point. The pandemic as an opportunity for change: a vision by Nick Meynen⁴ came out in October 2021 as a thought-provoking essay that followed the virus on its path to ‘success’ and subsequently proposed ten very bold turning point proposals to turn this crisis into an opportunity.

Ideologies and paradigms mature long before a historical shock catapults them to the news story. After the Great Crash of Wall Street in 1929, fascism flourished. After the Second World War: the welfare state. The US-supported coup by former Chilean President started the neoliberalism era. However, some years ago, IMF researchers started calling neoliberalism oversold⁵ and now even an editorial in the Financial Times declared that era over⁶. The question is: in what era are we now?

To begin with, firstly, states are back in control of the economy. Secondly, they will not get away as easily as before by letting the poor pay more. When the German parliament speaker and former finance minister Wolfgang Schäuble (CDU) argued for austerity in the

Financial Times, the New Economics Foundation responded in the same newspaper by arguing that: “The social fabric of Europe cannot bear a return to the failed austerity policies of the past (..).” 2021 is very different from 2008 (the banking crisis) or 2011 (the debt crisis). Of course, there are many reasons to be a pessimist about the pandemic’s political changes, but there is no point denying that the dominant story of today is: how do we save people and the health system?

It was long overdue that states were back at the helm. Long before the coronavirus, the Malaysian thinker Chandran Nair wrote in his book The Sustainable State that the state is the social organ with the best combination of authority, legitimacy, and responsibility to sustainable development. However, his ideas might also apply to the EU as a ‘superstate.’ The bottom line is without a combination of decisive governments at both member state and EU levels, we will keep sliding towards ever sicker, more blown away, and more dominated by viruses, storms, and other emerging world powers. Vaccines, climate policy, freedom of movement, corporate taxes, and so much more: anyone who now says that the European Union must be smaller is just digging their head ever deeper in the sand. It needs to be bigger, bolder, and more democratic.

Of course, as governments re-took power through the crisis, one could argue that democracy itself got COVID-19. In some countries, it is even on life-support. Still, the first step in becoming a sustainable state is to have a state that can steer society in a direction.

Let us make this concrete through an example. Suppose a government owns both the airline(s) – and all other services and infrastructure that make air traffic possible – and the railways. Can’t it then take radical action to ensure that the aviation sector shrinks, the railway sector grows, and not a single employee is left in the cold? If the alternative for most flights within Europe consists of more fast trains and night trains, with good services such as baggage handling and catering and better connections, you

need many workers – who could come from the aviation sector, where you need less people. But only a government can rearrange sectors as a whole in a just way. The so-called ‘free’ market would turn such a significant shift into a social bloodbath.

Given this example, it is important to stress that a solid and effective wellbeing state is not Soviet. It needs neither coercion nor gulags because it works in the public interest and derives legitimacy. A wellbeing state involves citizens making the significant choices of our time, in the process of deliberative democracy, instead of delegating everything to easily manipulateable “representatives.”

Vaccines, climate policy, freedom of movement, corporate taxes, and so much more: anyone who now says that the European Union must be smaller is just digging their head ever deeper in the sand. It needs to be bigger, bolder, and more democratic.

In a society dominated by false and misleading news, neither parliamentary representative democracy nor direct democracy still functions in the general interest. The cost of the democratic deficit is ever higher. When governments are smart, they do not return nationalized sectors to private players; they involve citizens in redesigning sectors.

Let us walk the path of the wellbeing economy for a moment. It is the path of health for our planet, justice, equality, and true value creation. According to the fast-growing global alliance, those are the goals of a wellbeing economy.

While national or regional contexts allow for different interpretations of what a wellbeing economy is, the vast network called WeAll (Wellbeing Economy Alliance)⁸ went through a lengthy stakeholder process with members to come up with five keywords:

1. **Dignity:** Everyone has enough to live in comfort, safety, and happiness.
2. **Nature:** A restored and safe natural world for all life.
3. **Connection:** A sense of belonging and institutions that serve the common good.
4. **Fairness:** Justice in all its dimension is at the heart of economic systems,

and the gap between the richest and poorest gets reduced.

5. **Participation:** Citizens are actively engaged in their communities and locally rooted economies.

Spurred on by WeAll members, a group of countries formed a wellbeing economies coalition. They exchange best practices in an alliance called the Wellbeing Economies Governments partnership or WeGo⁹. After New Zealand, Iceland and Scotland came together, Finland and Wales joined in 2020. In 2021, there was a wellbeing economy process in Portugal with participation from the government. Will Austria follow a similar path in 2022?

In 2019, New Zealand made a wellbeing budget and instructed each ministry to review and adjust their plans to improve human and planetary wellbeing. Bhutan, Costa Rica, and Uruguay are not WeGo members, but they have similar policies. In Bhutan, they use the Gross National Happiness as a framework; in Uruguay, they rely on ‘buen vivir’. Implementing such policies pays off. Bhutan became the first climate-neutral country globally, rapidly reduced poverty, and invested so much in health care that life expectancy increased by 16 years in 22 years. Uruguay doubled minimum wages, invested in healthcare, made university free, and almost wiped out poverty.

The times and people call for strong wellbeing states that take responsibility for solving current crises affecting human and planetary health. There is no more complacency or hoping decentralized actors ‘fix’ things magically. The fact that all 3 of the European institutions recently agreed on a 10-year plan that – for the

The times and people call for strong wellbeing states that take responsibility for solving current crises affecting human and planetary health.

first time – talks about the wellbeing economy as a priority is promising (it is called the 8th Environmental Action Plan). The proof of the pudding is in the eating, and the European Commission in particular needs to put its money where its mouth is. That means it should use the reform of the EU economic governance to give this agenda legs, teeth, and flesh to the bone. You cannot get to the desired and now promised wellbeing economy

with the 30-year-old rules that at least co-created the problems we now find ourselves having. Wellbeing economies are urgently wanted and needed now.

Extra:
Turning Fear into Hope¹⁰
Towards a wellbeing economy that serves people and nature¹¹
Turning Point trailer, a free hard copy, a pdf in English or French¹²

▶ Nick Meynen
Senior Policy Officer for Systemic Change
European Environmental Bureau
nick.meynen@eeb.org

- 1 https://en.wikipedia.org/wiki/Planetary_health
- 2 <https://eeb.org/library/turning-fear-into-hope-corona-crisis-measures-to-help-build-a-better-future/>
- 3 <https://eeb.org/library/towards-a-wellbeing-economy-that-serves-people-and-nature/>
- 4 <https://eeb.org/library/turning-point/>
- 5 www.imf.org/external/pubs/ft/fandd/2016/06/ostry.htm
- 6 www.taxresearch.org.uk/Blog/2020/04/04/the-financial-times-has-abandoned-neoliberalism-and-they-must-never-be-allowed-to-forget-this/
- 7 www.humanityinaction.org/knowledge_detail/how-to-fix-democracy-with-david-van-reybrouck-s3e18/
- 8 <https://weall.org>
- 9 <https://weall.org/wego>
- 10 <https://eeb.org/wp-content/uploads/2020/04/Hope-from-fear.pdf>
- 11 <https://eeb.org/library/towards-a-wellbeing-economy-that-serves-people-and-nature/>
- 12 <https://eeb.org/library/turning-point/>



Foto: © WWF / Onehemisphere - onehemisphere being designer

The EU has recognised the need to advance towards a Wellbeing Economy – but where to next?

The next steps taken will be crucial to turn words into action. The European Union has recognised the shift to a Wellbeing Economy as a priority objective in its legislation for the first time. But what does this mean in practice, and will it help tackle the systemic issues at the root of environmental degradation?

By Rebecca Humphries

The Wellbeing Economy is a concept that has been gaining traction in recent years, with increased attention to the subject by civil society, and most notably through the alliance of Wellbeing Economy governments (including Scotland, New Zealand, Iceland, and Finland, among others) who

have committed to being guided by the concept in their policies and budgets.

Inspired by this vision of policy-making, which is more respectful of people and the planet, last year WWF European Policy Office published a report ‘Towards an EU

Wellbeing Economy – A fairer, more sustainable Europe post Covid-19’, calling for the EU to adopt the Wellbeing Economy as its guiding compass.

What does this mean concretely? A ‘wellbeing economy’ starts from the



Foto: © Rebecca Humphries

idea that public interests should determine economics and not the other way around. Currently, it is economic growth as measured by Gross Domestic Product (GDP) which is used as the lead indicator by decision-makers when determining their highest level political priorities, often to the detriment of social and environmental indicators. Rather than pursuing economic growth through narrowly defined indicators such as GDP, a Wellbeing Economy monitors and values what truly matters: health, nature, education, and communities.

The EU itself has hinted towards this: in July 2020, European Council president Charles Michel stated in a speech that “growth in itself is not automatically virtuous. Inequalities, iniquities, and disparities not only create legitimate frustrations but also represent obstacles in the path to prosperity.” The European Commission’s annual Strategic Foresight Report further emphasized this point, stating, “disruption of established lifestyles has intensified the debate on how we measure progress and conceive ‘wellbeing’.” As stressed in the 2020 annual sustainable growth strategy, economic growth is not an end in itself.” This comes in addition to the Member States calling in 2019 for the EU to adopt an ‘economy of wellbeing’ strategy in council conclusions driven by the Finnish presidency.

WWF has sought opportunities to build on these statements and move from words to action. The adoption last year of the EU’s 8th Environment Action Programme (8th EAP) presented such an opportunity. The EU’s framework aims to set the EU’s broad priorities in the areas of environment and climate to 2030, building on the European Green Deal presented at the end of 2019.

Indeed, the European Green Deal has thus far not led to the systemic shift hoped. The European Union has described it as a new growth strategy. This framing continues to place GDP growth as a metric at the heart of the success of the Green Deal. While we have seen good proposals emerge from the Green Deal, political compromises have watered down the ambition of key

legislation (the EU Taxonomy is just such a recent example, with the Member States are pushing for fossil gas and nuclear energy to be labelled as “green” investments). Promises such as the ‘green oath’ that all other policies will be consistent with the Green Deal are yet to be meaningfully implemented.

Against this background WWF sought to embed the shift to a Wellbeing Economy in the 8th EAP². The Commission’s proposal from October 2020 included only hints towards new economic models (such as the ‘regenerative economy’). However, both the Council and the European Parliament went further: thanks to their amendments, after months of negotiations, the final text of the 8th EAP now includes as a priority objective of the EU’s environmental policy

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‘advancing towards a Wellbeing Economy that gives back to the planet more than it takes.’ These amendments mark the first time the wellbeing economy is committed to law at the EU level.

Most importantly, the 8th EAP sets actions to make the wellbeing economy a reality, largely thanks to amendments the European Parliament introduced and agreed to in trilogue negotiations by the Council and the Commission. Under these commitments, the EU will have to produce ‘a summary dashboard and indicator set measuring ‘beyond GDP,’ which identifies the interlinkages between existing indicator sets, monitoring frameworks and processes at the EU level measuring social, economic, and environmental progress and which proposes action on how existing dashboards and indicator sets can be streamlined.’ Indeed, existing monitoring frameworks are not succeeding in providing a clear and coherent overview of the EU’s progress. Besides the European Semester, which continues to be led by conventional economic growth indicators, very few have any weight in EU and national policy-making processes. WWF hopes that through this exercise, which the Commission should start work towards as soon

as possible, the discussion on ‘beyond GDP’ will move from a technical discussion on monitoring and indicator frameworks towards a high-level political reflection and commitment on which measures to use to drive policymaking. A political debate is necessary at all levels of society to forge a consensus on the headline indicators to track when pursuing societal progress that goes beyond economic growth – which should then be used to guide all EU policymaking and also to provide clarity to the public to track progress and hold their governments accountable easily.

As with other EU policies which came before it (including all the previous environment action programmes), the 8th EAP will only succeed if the European Commission and the Member States put the resources – both human and financial – towards making its commitments a reality. There is a risk that – as has happened before – the final text, once adopted, is left on a shelf until the EU institutions have to deliver the required mid-term review or final evaluation, leading to delays and lost opportunities.

Instead, the EU should look towards immediate opportunities – such as the upcoming ‘Stockholm +50’ global conference taking place in June 2022, with the theme ‘a healthy planet for the prosperity of all – our responsibility, our opportunity to showcase how it is planning to translate its commitments from the 8th EAP into tangible action. This conference marks the fiftieth anniversary of the first UN conference on the human environment, where already the ‘limits to growth’ were being warned about: the Stockholm Declaration highlighted “the link between economic growth, the pollution of the air, water, and oceans and the wellbeing of people around the world.” The commitments made on the Wellbeing Economy in the 8th EAP are therefore very relevant for the EU to showcase at the conference, along with the following steps planned to make them a reality.

► Rebecca Humphries
Senior Public Affairs Officer,
WWF European Policy Office
rhumphries@wwf.eu

¹ www.wwf.eu/?875891/Towards-an-EU-Wellbeing-Economy---A-fairer-more-sustainable-Europe-post-Covid-19
² https://www.eu.awsassets.panda.org/downloads/8th_eap_wwf_recommendations.pdf



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Tracking progress to 2030

For the first time, the wellbeing economy will appear as a priority in an EU legislative text: the regulation for the 8th Environment Action Programme (8th EAP¹). In addition, the text calls for the European Commission to develop a new set of metrics to measure economic, environmental, and social progress “beyond GDP.”



By Jonathan Barth, Jakob Hafele & Coline Lavorel

In the context of climate change and the recovery from the pandemic, there is a need to shape a regenerative, resilient wellbeing economy. This need should aim to improve people’s wellbeing while especially providing for vulnerable and lower-income groups most affected by the green transformation, urbanisation, digitalisation, and other ongoing trends. A wellbeing economy achieves all of this while staying within planetary boundaries to ensure that essential life-supporting systems such as biodiversity, water provision, and temperature regulation stay intact.

A small informal coalition, the EU Wellbeing Economy Coalition, works to promote this vision. The coalition brings together

various EU civil society organisations, think tanks, businesses, and trade unions active in the field of wellbeing that share a common goal. They aim to raise awareness in the EU institutions around the wellbeing

Designing a wellbeing economy means, among other things, moving beyond GDP as the single indicator for measuring an economy’s success to being agnostic about GDP growth. Instead, what matters is whether the economy and society are thriving, leaving no one behind, and staying within planetary boundaries.

economy and the necessity to focus EU policy design and implementation on wellbeing and sustainability rather than economic growth. Designing a wellbeing economy means, among other things, moving beyond GDP as the single indicator for measuring an economy’s success to being agnostic about GDP growth. Instead, what

matters is whether the economy and society are thriving, leaving no one behind, and staying within planetary boundaries.

The “beyond GDP” debate is not new and has occupied the EU scene since the early 2000s. With the start of the von der Leyen Commission at the end of 2019, the issue is approached again more politically, than technically. The European Green Deal—which, although considered the new European growth strategy—shifts the focus and policy priorities towards preserving the environment, improving people’s living conditions, and creating a resilient economy.

To realise this vision, both the political willingness and implementation by the 27 EU Member States are needed. The year

2030 is a critical milestone on reaching this objective, which implies that progress is tracked to enable policymakers to quickly grasp the EU's most important trends and identify essential tensions that need to be balanced. For the purpose of transforming the economy, it is crucial to have a good compass with key economic indicators and target definitions, that enable policy makers to deal with tensions and trade-offs, and communicate the EU's progress to the public.

However, many different sets of indicators (usually summarised in “dashboards”) were developed over time by the EU Commission to serve other purposes. They all have strengths and weaknesses, and the challenge is to develop a common narrative and a set of indicators that can act as a compass for policymaking. It should provide a summary that is easy to understand, covers political priorities, uses a compelling narrative and visualisation, and serves as a summary for measuring progress towards sustainable prosperity.

The recent adoption of the 8th EAP can lead the EU to the next level as it provides policymakers with opportunities for looking at those indicators more consistently and systemically. Early December 2021, the three EU institutions (EU Commission, EU Parliament, EU Council) agreed in “trilogue” on a compromise text on the 8th EAP that opens the door to a political summary and set of indicators to measure economic, environmental, and social progress “beyond GDP.” At the initiative of the EU Parliament, and in particular the Greens under the leadership of the rapporteur for the ENVI Committee, Grace O’Sullivan, the text underlines the need for “A summary indicator set, as part of the EU’s efforts to implement the UN Agenda 2030, [that] would summarise the existing indicators and monitoring processes, whilst also providing information on distance to target, where possible, and ultimately serving as a political summary to guide policy making”.

To better understand the extent to which indicators are fragmented across the many EU dashboards, we looked at existing EU monitoring tools to analyse the coverage of social and environmental indicators that are publicly available. Our analysis shows that few dashboards com-

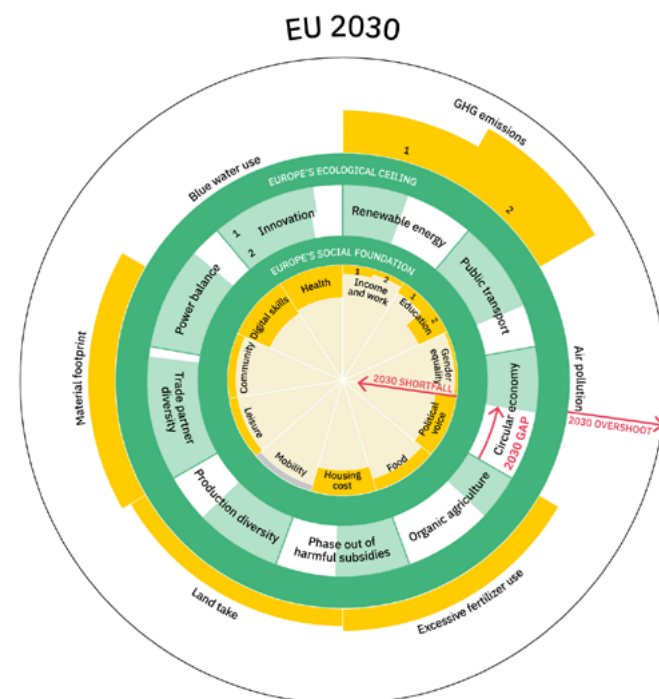
bine ecological and social indicators. In addition, none of the existing monitoring tools can act as a compass that presents numbers and informs policy development and policymaking with a holistic approach.

To address this challenge, we have designed the EU compass towards 2030², inspired by Doughnut Economics. Thanks to a clear visual representation of the EU's priorities, the compass can enable decision-makers and citizens to quickly grasp the EU's essential trends. The visual presentation of existing indicators can help identify important interconnections between policy objectives that need to be balanced and gaps in goal achievement.

Demonstrated in the graphic below, the inner ring of the Doughnut represents the social foundation, below which lies a critical deprivation of aspects of a good life and a strong society. The yellow space in the inner circle represents indicators that fail to meet the targets, such as digital skills and health, which are farthest from the target in the graphic below. The outer ring represents the ecological ceiling, above which is an overshoot of planetary boundaries and a critical risk of planetary degradation, which hinders the possibility to sustain a good life and society in the 21st century. This is represented by the yellow areas on the outer side of

the outer ring, with the most significant overshoot, in this case being greenhouse gas emissions. Between these two rings is the safe and just space for humanity. Whether we stay within this safe space depends on the technologies, infrastructures, behaviours, networks, institutions, and values in place. We have complemented the original Doughnut Framework with an additional set of indicators to represent potential areas for policy intervention and the characteristics of a resilient economy, such as expenditure on research and development and labour income share as a percent of GDP. In the Doughnut graphic below, this third set of indicators is represented in the space between the two rings. The light green represents the degree to which this 2030 target is met, with the white space representing the gap.

Our selection of the 30 indicators is driven by the necessity to represent systemic change, better qualify the resilience economy we need in the future and reinforce the connection of environmental with social objectives such as just transition. Most of the indicators are regularly published by the Commission, many are already integrated into existing indicator sets (e.g., the Social Scoreboard, the SDGs, the EU Semester, and the Resilience Dashboards). Our proposal brings them together and links them to the priority



The EU 2030 portrait³

areas of the EU Green Deal. Where needed, we have made recommendations for the EU targets that are currently missing, such as material footprint.

The adoption of the 8th EAP offers an excellent prospect for making the wellbeing economy a political priority. We hope that the EU authorities will seize this opportunity to put wellbeing, resilience,

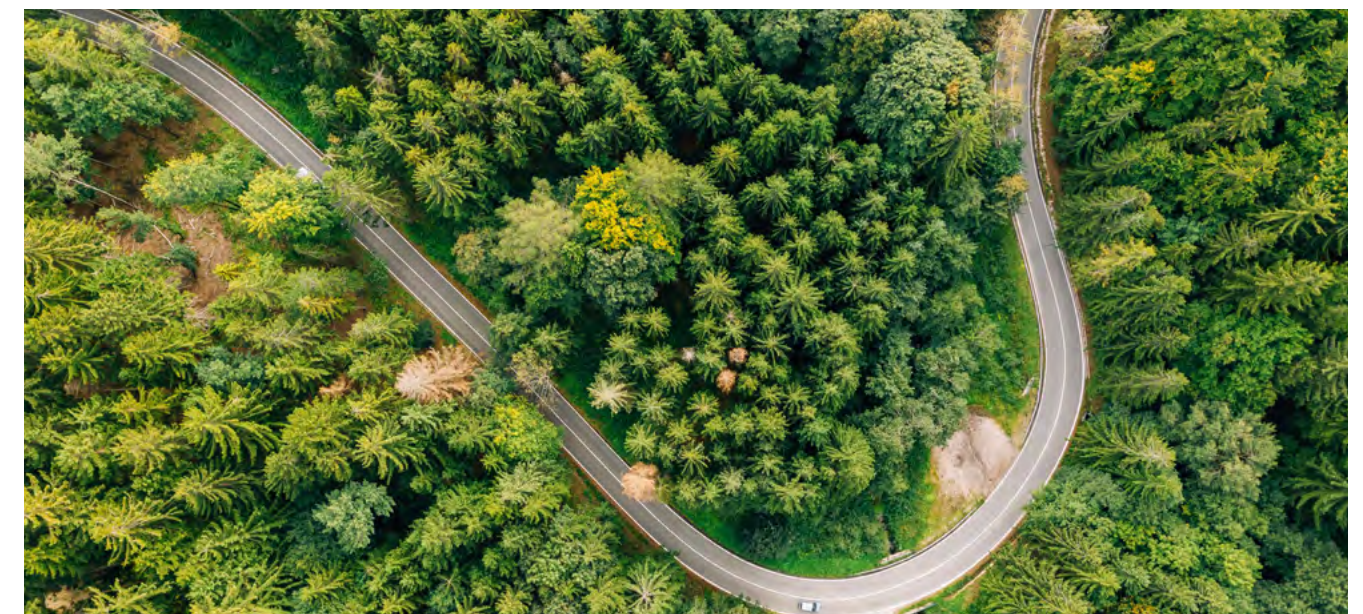
and planetary boundaries at the centre of policy design and measurement of prosperity.

Jonathan Barth
Co-Founder and Managing Director
ZOE Institute for Future-fit Economies
jonathan.barth@zoe-institut.de

Jakob Hafele
Co-Founder and Managing Director
ZOE Institute for Future-fit Economies
jakob.hafele@zoe-institut.de

Coline Lavorel
Senior Policy Consultant
ZOE Institute for Future-fit Economies
coline.lavorel@zoe-institut.de

- 1 The 8th EAP forms the basis for achieving the environment and climate-related objectives defined under the UN 2030 Agenda and its SDGs. It should be aligned with the goals of the Paris Agreement, the UN Convention on Biological Diversity, the Rio Convention and other relevant international agreements.
- 2 <https://zoe-institut.de/en/publication/a-compass-towards-2030/>
- 3 Source: Barth, J., Lavorel, C., Miller, C., & Hafele, J. (2021). A compass towards 2030: navigating the EU's economy beyond GDP by applying the Doughnut Economics framework. ZOE Institute for Future-fit Economies: Bonn.



The wellbeing economy – the missing link of the European Green Deal

Amid the global COVID-19 pandemic, we witnessed the worst economic and social collapse in decades. The pandemic has demonstrated that health – not wealth – matters most. It has been a strong reminder that we must steer public finance to the right and balanced priorities – towards a wellbeing economy that works for people and the planet. It has rendered even more urgent an approach putting equal focus on our societies and economies' social, environmental, and economic aspects. For sustainable development to truly become the guiding principle of the European Green Deal, it is essential to reform the current economic model beyond GDP-based growth.



Foto: © EU 2014-1

By Peter Schmidt

The challenges facing the world today are unprecedented. It has been almost two years since the COVID-19 pandemic hit the world and the EU, triggering a

severe economic and social crisis. By the end of June 2021, COVID-19 had infected more than 33 million people and had caused over 736,000 deaths in the EU¹.

The impacts of the health crisis on the economy, labour markets, and society have been no less daunting, leading to a severe contraction of the economy and a

rise in unemployment, especially among the younger generation, while widening pre-existing inequalities.

Meanwhile, the environmental and climate crisis has not stopped. On the contrary. Last summer's severe floods, fires, and heatwaves were a powerful reminder that we face a climate emergency. The latest IPCC report² shows clearly that the climate crisis is caused by human activities and affects the planet's land, air, and sea. This crisis threatens us all, but it has the most damaging effect on the most vulnerable and marginalised people, i.e., those who are least responsible for the problem³. The recent discussions and youth mobilisation at the COP26 have demonstrated the need for systemic change to avoid catastrophic global warming.

In addition, migration, economic disparities, and other challenges led to a loss of citizens' faith in the European project and a rise in nationalism and populism, which now threatens to overturn democratic values and undermine social and political stability.

We are at a pivotal moment for Europe where every decision can make or break Europe's future. It is time for urgent action. We need to go beyond business as usual and build a new vision that works for people and planet based on the UN Sustainable Development Goals (SDGs) and social and climate justice. We should turn all these challenges into an opportunity to "reboot the system," bounce forward and do things differently.

The EU's response to the crisis, specifically through the Recovery and Resilience Facility and the European Green Deal "Fit for 55" package, can effectively support the transition to climate neutrality and help alleviate the socio-economic impacts of the pandemic. However, for sustainable development to truly become the guiding principle of a prosperous European economy and the European Green Deal to succeed, it is essential to reform the current economic model. This model has its measure of reference in the Gross Domestic Product (GDP), which cannot calculate what counts for human beings. Success measured by GDP is misleading

when the impacts of growth lead to irreversible and catastrophic changes in the state of our climate, soils, forests, rivers, and oceans. The new economic and social development model in the European Green Deal implies integrating GDP with other equally important measures relating to the wellbeing of a community.

In the opinion on "The sustainable economy we need"⁴, the EESC highlighted that the idea of social progress only relying on

There will be no life, jobs, or enterprise on a degraded planet. There will be no security if the transition leaves whole communities behind or ordinary citizens feel alienated.

the pursuit of growth ignores essential elements of individual and social wellbeing and fails to account correctly for environmental and social considerations. Therefore, the EESC called on the EU to propose a new vision of prosperity for people and the planet based on principles of environmental sustainability, the right to a decent life and the protection of social values. There will be no life, jobs, or enterprise on a degraded planet. There will be no security if the transition leaves whole communities behind or ordinary citizens feel alienated. The time has come to develop the foundations for a sustainable and inclusive wellbeing economy that works for everyone.

Moving towards a wellbeing economy means combining the idea of prosperity with the possibility of social progress within planetary boundaries. Prosperity is not simply a matter of production or income. It is precisely defined in people's options to flourish and achieve their full potential. The wellbeing economy must provide citizens everywhere with the capabilities they need to thrive as human beings within the ecological constraints of a finite planet.

In the EESC's view, the wellbeing economy should protect ecosystems, conserve biodiversity and deliver a just transition to a climate-neutral way of life across the EU and foster sustainable entrepreneurship. To achieve this goal, we recognise the need to support the fundamental changes that have already begun to emerge in the nature of enterprise, the organisation

of work, the role of investment and the structure of the money system. We must continue supporting new business models that transform linear consumption and production processes. We should reinvent the world of work by openly discussing issues such as universal basic income, universal basic services, and a maximum income. We must gear investment towards communities, public spaces, health care, education, social services, zero-carbon housing, and infrastructure, and the protection and restoration of biodiversity should be at the heart of the recovery measures.

Concretely, the EESC has proposed the adoption of a Living Standards Framework and the introduction of a Wellbeing Budget for the EU, modelled on approaches already adopted elsewhere. We have also called for an end to perverse subsidies and the alignment of all public sector spending across the EU and its Member States to achieve climate neutrality. Green fiscal reforms must help align taxation, subsidies, and pre-distributive policies with the goal of achieving a just transition to a wellbeing economy, in particular by enforcing existing legislation.

The COVID-19 pandemic has rendered even more urgent an approach, which puts equal focus on our societies and economies' social, environmental, and economic aspects. People have experienced COVID-19 as a human-centred

The COVID-19 pandemic has rendered even more urgent an approach, which puts equal focus on our societies and economies' social, environmental, and economic aspects.

pandemic, and as Europe slowly moves towards socio-economic reconstruction, people and communities must remain staunchly at the centre. Imagining and creating resilient, inclusive, equal, and sustainable societies will require bottom-up initiatives relying on social innovation and civil society participation.

The Council of the EU endorsed the economy of wellbeing in October 2019. Since then, many academics, think tanks, and civil society organisations have advanced the concept of a wellbeing economy, and this narrative is gaining political visibility and momentum this year – on the 50th

anniversary of the Club of Rome's "Limits to Growth" report⁵.

The time has now come to put the wellbeing economy into motion. The European Economic and Social Committee,

as a bridge between civil society and EU institutions, is ready to play its role in the process of creating a new deal for a post-Covid Europe towards a more sustainable, just, and climate-neutral economy.

► Peter Schmidt
President of the Agriculture Rural Development and Environment Section of the European Economic and Social Committee (EESC)*
nat@eesc.europa.eu

- 1 <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=10039>
- 2 www.ipcc.ch/reports/
- 3 www.oxfamamerica.org/explore/issues/climate-change-and-inequality/
- 4 www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/sustainable-economy-we-need-own-initiative-opinion
- 5 www.clubofrome.org/publication/the-limits-to-growth/
- 6 www.eesc.europa.eu/en/sections-other-bodies/sections-commission/agriculture-rural-development-and-environment-nat

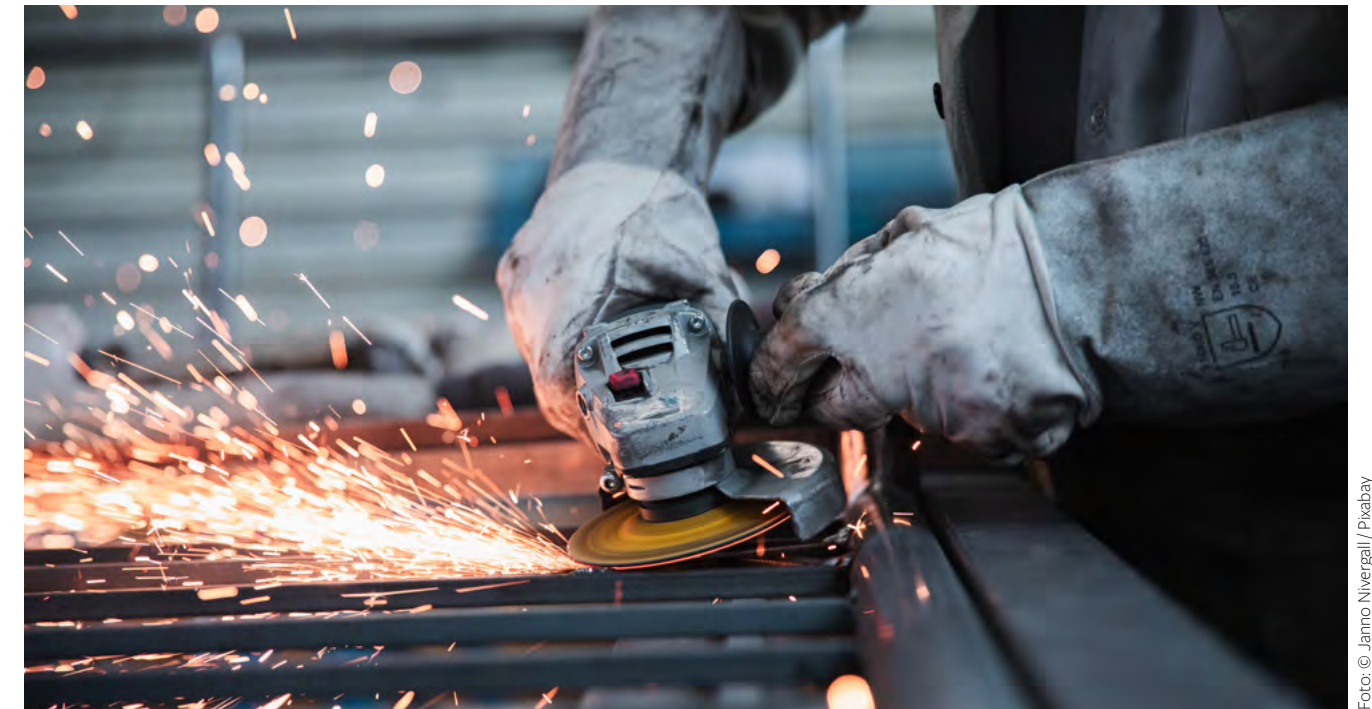


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Creating a sustainable economy within environmental limits

The European Green Deal aims to create a sustainable economy by decoupling economic growth from environmental pressures. This approach is essential, and Europe needs to make it the greatest possible success. However, governments should also seek to reduce society's dependence on economic growth in moving forward. Doing this will mean reimagining the economic model so that society's collective and long-term interests guide the choices and actions of economic actors at all scales. Governments have a vital role in enabling this change.

By Mike Asquith & Pantelis Marinakis

The idea that the European economy should grow within the environmental limits is at the core of the EU policy. The European Green Deal aims to create an economy "where there are no net emissions

of greenhouse gases in 2050 and where economic growth is decoupled from resource use" while acting "to protect, conserve and enhance the EU's natural capital."

This awareness of the environmental limits to economic activity is not new. It was an important part of the thinking of the early economists in late 18th century Europe. Nevertheless, it has risen to



Foto: © Mike Asquith



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prominence again in recent decades due to the 'great acceleration' of economic activities and environmental pressures since the mid-20th century. While this process has undoubtedly raised living standards in many parts of the world, economic growth has brought with it an immense increase in environmental and climate pressures.

Increasingly, these pressures threaten the foundations for human prosperity and well-being. It is now clear that sustaining growth of gross domestic product (GDP, i.e., the monetary value of all production in an economy) while operating within environmental limits will require Europe to achieve an unprecedented decoupling of economic activity from environmental pressures and impacts. What is not yet clear is whether decoupling at this scale is feasible.

In this context, there are growing calls for governments and societies to reduce economic activity or at least take a more 'agnostic' approach to GDP growth. That means setting aside their focus on increasing economic output and concentrating more directly on promoting wellbeing within environmental limits.

This plan sounds very appealing but presents some difficult practical problems. Economic growth is hardwired into the structures and incentives that drive commerce, innovation, and consumer culture. Perhaps even more importantly, employment levels and tax revenues are also closely linked to growth in GDP. If GDP is shrinking, it would have major implications for financing the welfare state, public health, education, and social justice. It could also make it hard to finance public debt or the huge investments needed to achieve sustainability transitions or restore ecosystems. These realities highlight an important truth: GDP growth has been harmful to the environment, but this does not necessarily mean that declining GDP would be good for the environment.

Governments, therefore, face a dilemma. As Tim Jackson has argued, economic growth in its current form is unsustainable. However, declining GDP is likely to be deeply socially disruptive, at least within the existing socio-economic systems.

The European Green Deal provides a clear and logical response to this dilemma.

It adopts a strongly pro-growth stance, providing a basis to sustain employment levels and secure the resources needed to increase public welfare, promote social cohesion, and make necessary investments. It also aims to transform production and consumption systems to make economic growth sustainable.

The European Green Deal's promotion of green growth makes sense in our current socio-economic system, which depends heavily on GDP growth for stability and social cohesion. Nevertheless, there are risks in only relying on a growth-promotion strategy to achieve sustainable development. In addition to uncertainties about the feasibility of achieving decoupling, other forces threaten future economic growth. Population ageing, for example, will reduce the workforce while also increasing health and pension expenditure, thereby squeezing investments in innovation and systemic change. Meanwhile, global crises may become more frequent as international systems become more closely intertwined, and ecological resilience diminishes. The financial crisis of 2008 and the COVID-19 pandemic vividly demonstrate the risks. Climate change impacts are also sure to worsen in the coming decades.

These downward pressures on economic output certainly do not imply that a green growth strategy is doomed to fail in the coming decades or should not be pursued. Whatever happens, we need to decouple economic output from environmental pressures to the greatest extent possible. Therefore, the European Green Deal's transformative agenda is essential, and Europe needs to find ways to make it the greatest possible success. Nevertheless, the uncertainties about future growth imply some risks. They suggest that as the EU and its Member States look to extend and build on the European Green Deal, they should also explore ways to adjust our socio-economic systems so that potential future GDP reductions are less destabilising.

What does this mean in practice? At the heart of this challenge is the issue of fiscal sustainability: how can governments secure revenues and manage expenditures

in ways that meet society's needs, even if the economy is shrinking? Indeed, governments have some opportunities to secure sustained tax revenues by shifting towards new sources, such as increased taxation of pollution, resource use, corporate incomes and property or land. However, if the overall economy is shrinking, then shifting the tax base will only provide a limited solution. It is also necessary to find ways to reduce the demand for state spending. In practice, this means going beyond efficiency improvements in public service delivery to reflect more deeply on our underlying socio-economic paradigm.

The economic system in operation today is an engine for innovation and wealth creation but generates tremendous environmental and social harm because of its design. Economic actors at all scales have strong incentives to focus on short-term, private gains and externalisation of environmental and social costs. In this context, the government devoted much activity to correcting and offsetting the risks and harms generated by the economic system. Indeed, calls for government action are growing ever more urgent: for basic incomes and job guarantees, for responses to climate and health crises.

Essentially, we have created a self-defeating system. As is now increasingly acknowledged by high-profile economists and international organisations, we need a new paradigm, in which the choices and actions of economic actors at all scales — corporations, small businesses, entrepreneurs, consumers — are guided by society's collective and long-term interests.

Therefore, public policies and institutions have an essential role in reorienting corporate behaviour, for example using regulations to coordinate actions across industries; creating the legal frameworks and metrics that can transform corporate governance; and rewiring financial flows throughout the economy.

This system presents a significant challenge. With the primacy of profit maximisation currently so firmly embedded in existing laws, institutions, mindsets, and public discourses, individual business leaders face significant constraints on their ability to drive change. Therefore, public policies and institutions have an essential role in reorienting corporate behaviour, for example using regulations to coordinate actions across industries; creating

the legal frameworks and metrics that can transform corporate governance; and rewiring financial flows throughout the economy.

At present, far too much human ingenuity and financial capital are invested in creating wasteful or actively harmful products and services. Channelling the transformational potential of innovation and entrepreneurship towards sustainable development and providing the needed financial support to good ideas will require experimentation and learning, backed up by harmonised evidence about social

and environmental impacts. There is also a need to reorient innovation processes and empower society to solve social needs. Governments have a vital role in creating the enabling environment for sustainable innovation, including facilitating the needed flows of finance and knowledge and developing supporting legal frameworks and skills.

Encouragingly, the seeds for this transformation are already emerging in policy and practice, for example, in the EU's Sustainable Finance Agenda and its new Action Plan for the Social Economy. The EU and

national governments need to build on these foundations and take them much further and faster.

► Mike Asquith
Expert in Sustainability Transitions
European Environment Agency
mike.asquith@eea.europa.eu

Pantelis Marinakis
Expert in Sustainable Finance
European Environment Agency
Pantelis.Marinakis@eea.europa.eu



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Just Transition – Nachhaltig und gerecht in die Zukunft

Um das ambitionierte Ziel der Klimaneutralität 2040 zu erreichen, bedarf es einer ökologischen Transformation, die Klimaneutralität, Kreislaufwirtschaft und Resilienz gleichermaßen beachtet und anwendet. Die Transformation bietet vor allem eine Chance für einen Paradigmenwechsel in der Klima- und Wirtschaftspolitik: Aufbauend auf dem Europäischen Green Deal, erarbeitet das Klimaschutzministerium im Prozess „Just Transition“ Maßnahmen für einen Übergang in eine sozial- und klimagerechte Gesellschaft.

Von Fabio Bruni

Notstand, Wendepunkt, Systemrelevanz: Mittlerweile gehen wir ins Jahr drei der globalen Pandemie, der Ausnahmezustand wurde zu einer neuen Lebensrealität. Nacheinander wird die Stabilität ganzer Wirtschaftszweige und

der gesellschaftliche Zusammenhalt auf eine harte Probe gestellt. Die genannten Superlative beziehen sich nicht etwa auf die Auswirkungen von Covid-19, sondern auf ein anderes Krisenszenario: die Klimakrise.

Nicht dass es nötig gewesen wäre, aber die Pandemie hat eindringlich aufgezeigt, was es bedeutet, einer globalen Krise gegenüberzustehen, deren Auswirkungen alle betreffen. Unabhängig von Hintergrund, Herkunft, Alter oder Berufsgruppe –

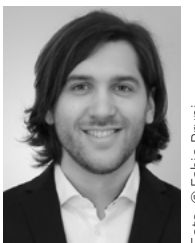


Foto: © Fabio Bruni

die Auswirkungen der Klimakrise sind schon heute spürbar. Tägliche Temperaturrekorde, Missernten, eine veränderte Flora und Fauna sind Auswirkungen, die immer häufiger auftreten werden. Es wird nicht nur unberechenbarer und ungesünder – es wird auch teurer! Missernten bedeuten höhere Lebensmittelpreise, höhere Temperaturen, vor allen in großstädtig versiegelten Städten, erfordern mehr Klimatisierung, Versicherungsprämien gegen Hochwasser, Hagelschaden und Hitzeopfer werden steigen. Um dabei die Lebensqualität zu erhalten, müssen Maßnahmen zur Klimawandelanpassung getroffen werden.²

Ambitionierte und notwendige Klimaziele

Ein klares Ziel gibt das internationale Klimaabkommen von Paris vor – der Temperaturanstieg soll auf bestenfalls 1,5° C begrenzt werden. Auf nationaler Ebene gibt es ebenso eine klare Zielvorgabe: Klimaneutralität in Österreich bis 2040. Um diese Ziele zu erreichen, braucht es vor allem eines: eine ökologische Transformation, die Klimaneutralität, Kreislaufwirtschaft und Resilienz gleichermaßen beachtet und anwendet. Dafür benötigt es einen Paradigmenwechsel in der Klima- und Wirtschaftspolitik – von der Steuerung einzelner Technologien hin zu einem sektorübergreifenden, an nachhaltigen Technologien ausgerichteten Ansatz im Einklang mit einer emissionsarmen und ressourcenschonenden Wirtschaft.

Grüne Investitionen für eine resiliente Zukunft

Eine solche Transformation erfordert eine massive Investitionsdynamik in europäischen Märkten. Um diese Ziele erfolgreich zu erreichen, müssen erhebliche Summen in Klimaschutzmaßnahmen investiert werden. Die derzeitige Ausarbeitung der EU-Taxonomie-Verordnung, die wirtschaftliche Tätigkeiten als nachhaltig klassifiziert, ist ein wichtiger Schritt, um Anleger:innen und Unternehmen bei nachhaltigen Investitionen zu unterstützen und Greenwashing zu vermeiden. Gleichzeitig müssen Unternehmen

ihre Geschäftsmodelle neu ausrichten: Je mehr der Wandel als Chance erkannt wird, desto erfolgreicher wird die Umgestaltung verlaufen. Dafür braucht es auch die Entkopplung von Wirtschaftswachstum und CO₂-Emissionen – beispielweise durch den Ausbau erneuerbarer Energien oder technologischen Fortschritt bei Energieeffizienzmaßnahmen.

Gerechter Übergang: Leave no one behind

Die Transformation wird Veränderungen mit sich bringen. Doch sie ist auch die Chance einen ökologischen und gesellschaftlichen Wandel herbeizuführen, der nachhaltige und lebenswerte Jobs schafft. Genau deshalb ist es wichtig, den Übergang gerecht und nachhaltig zu gestalten. Menschen müssen die notwendige Unterstützung bei der Transformation erhalten und dürfen nicht allein gelassen werden. Der Green Deal bietet auf der Europäischen Ebene dafür den notwendigen Rahmen (Leave no one behind)³. Es ist die Gelegenheit eine Transformation nicht nur in der Wirtschaft herzustellen, sondern auch am Arbeitsmarkt.

Das Klimaschutzministerium (BMK) spielt dabei eine aktive und gestalterische Rolle: Gemeinsam mit relevanten Stakeholdern

Obwohl die Klimakrise eine globale Krise ist, verteilt sich die individuelle Betroffenheit unterschiedlich.

werden im Rahmen des Just Transition Prozesses arbeitsmarktpolitische Maßnahmen identifiziert, die für den Strukturwandel wichtig sind. Es geht um die Schaffung neuer, guter Jobs, die ein wichtiger Baustein bei der Dekarbonisierung von Wirtschaft & Gesellschaft sein werden. Dieser Strukturwandel mit der Neuausrichtung von Jobs, Wertschöpfungsketten und Industrien geht einher mit umfassenden wirtschaftlichen Chancen – diese gilt es hervorzuheben.

Globale Krise, regionale Auswirkungen

Im Jahr 2020 gestarteten Just Transition Prozess des BMK werden wirtschafts-, sozial- und arbeitsmarktpolitische Fragestellungen des Überganges zu einer resilienten, klimaneutralen und umweltverträglichen Gesellschaft und Wirtschaft

diskutiert. Im Bereich der Aus- und Weiterbildung im Energiesektor werden bis Anfang 2022 konkrete Maßnahmen erarbeitet. Es geht nicht um eine bloße Veränderung im Arbeitsmarkt, sondern um Menschen mit einer Geschichte, regionaler Verbundenheit und einer emotionalen Verbindung zu ihren Berufen. Zur gerechten Gestaltung der ökologischen Transformation gehören auch soziale Aspekte, wie etwa die Qualität von Arbeit und Leben oder die Vereinbarkeit von Freizeit und Beruf unter der Berücksichtigung von Identität, Gender und Diversität.

Obwohl die Klimakrise eine globale Krise ist, verteilt sich die individuelle Betroffenheit unterschiedlich. Bestehende gesellschaftliche und ökonomische Ungleichheiten – ausgelöst durch Bildung, Herkunft, Gender, Alter oder Wohnort – existieren weiter und werden durch die Klimakrise verstärkt. Berufe im Umwelt- und Klimabereich, etwa der Gebäudesanierung oder PV-Installation, werden neu entstehen oder durch zusätzliche Qualifikationen und Fähigkeiten ergänzt. Andere Berufe, insbesondere in emissionsintensiven Industrien, werden künftig weniger stark nachgefragt. Daraus resultieren neue Qualifizierungsanforderungen und arbeitsmarktpolitische Maßnahmen. Eine intensive Auseinandersetzung damit, wie diese Veränderungen für alle Betroffenen gerecht gestaltet werden können, ist jetzt unentbehrlich.

Auch wenn es oft nicht den Anschein erweckt: die Pandemie wird vorübergehen, die Klimakrise aber bleibt. Zumindest bei Letzterer dürfen wir nicht einfach so zurück zum Alltag übergehen.



Fabio Bruni
Abteilung für Grüne Finanzen und nachhaltige Wirtschaft (VI/3)
Betreut den Prozess Just Transition
Klimaschutzministerium (BMK)
fabio.bruni@bmk.gv.at

¹ www.energiezukunft.eu/politik/generationen-in-der-klimakrise/ & www.tagesspiegel.de/berlin/klimacamp-in-berlin-fridays-for-future-kuendigt-neue-proteste-an/27579990.html & www.sn.at/panorama/klimawandel/fridaysforfuture-will-in-oesterreich-ein-riesiges-zeichen-setzen-76689382

² Vgl: Steininger et al. (2020) Klimapolitik in Österreich: Innovationschance Coronakrise und die Kosten des Nicht-Handelns. Wegener Center Research Briefs.

³ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_de



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AK Wohlstandsbericht 2021: Herausforderungen trotz Wirtschaftsaufschwung

Die massiven Auswirkungen der Corona-Pandemie zeigen deutlich, wie wenig klassische Wirtschaftsdaten das Wohlergehen der Bevölkerung tatsächlich abbilden. Indikatoren wie das Bruttoinlandsprodukt (BIP) nehmen wichtige Aspekte für ein gutes Leben wie Gesundheit, gerechte Verteilung oder ökologische Nachhaltigkeit nicht in den Blick. Der AK-Wohlstandsbericht zeigt mit seinem breiten Ansatz dagegen wesentliche Herausforderungen für 2022 auf.



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Foto: © Lis Specht

Von Sybille Pirklbauer & Florian Wukovitsch

Der AK-Wohlstandsbericht leistet seit 2018 einen regelmäßigen Beitrag zur Analyse von Wohlstand und Wohlergehen in Österreich. Jahrzehntelang galt das klassische magische Viereck – Wirtschaftswachstum, Vollbeschäftigung, Preisstabilität und außenwirtschaftliches Gleichgewicht – als wirtschaftspolitischer Referenzrahmen. Der Wohlstandsbericht hat aufbauend darauf ein magisches Vieleck mit fünf übergeordneten Zielen entwickelt, die jeweils 6 Indikatoren enthalten. Als Kompass dienen dabei die Sustainable Development

Goals (SDGs)¹ der Vereinten Nationen. Anhand dieser Indikatoren analysiert der Bericht den gesellschaftlichen Fortschritt. Daraus werden Empfehlungen für die nachhaltige Entwicklung von Wohlstand und Wohlergehen abgeleitet. Mit dem European Green Deal² und dem EU Recovery Plan³ zur Bewältigung

So fiel die Bewertung im Bericht zu 2021 etwas positiver aus als im vergangenen Jahr, dennoch ist der krisenbedingte Rückschritt von Wohlstand und Wohlergehen deutlich zu sehen.

der Corona-Krise wurden auf EU-Ebene Schritte in die richtige Richtung gesetzt,

und auch in Österreich sind Verbesserungen in der Verankerung der SDGs zu verzeichnen. Diese müssen jedoch über Debatten in Expert:innenkreisen hinausgehen und Niederschlag in konkreten politischen Maßnahmen finden.

Fortschritte gegenüber dem Vorjahr, Vorkrisenniveau wird aber noch nicht erreicht

Die Veröffentlichung des vierten AK-Wohlstandsberichts erfolgte im Herbst 2021 und fiel damit in eine Phase starken wirtschaftlichen Aufschwungs nach Aufhebung vieler Corona-Maßnahmen. So fiel

zwar die Bewertung im Bericht zu 2021 etwas positiver aus als im vergangenen Jahr, dennoch ist der krisenbedingte Rückschritt von Wohlstand und Wohlergehen deutlich zu sehen. Vor dem Hintergrund der aktuellen Omikron-Welle bekommen die pandemiebedingten Auswirkungen und die Notwendigkeit gegensteuernder Maßnahmen zusätzliches Gewicht.

Im aktuellen Bericht werden zehn der insgesamt 30 Indikatoren positiv bewertet – das sind zwei mehr als im Vorjahr. Die Bewertung erfolgt auf einer Skala von -2 bis +2, wobei 0 einer neutralen Bewertung entspricht. Auch bei zwei der fünf übergeordneten Ziele des „magischen Vielecks“ ist ein leichter Fortschritt zu verzeichnen: Hohe Lebensqualität und intakte Umwelt. Die Werte für die fünf Ziele ergeben sich dabei jeweils aus dem Durchschnitt der Bewertung der Zielerreichung in den sechs zugrundeliegenden Indikatoren (siehe Abbildung).

Nachhaltige Entwicklung von Wohlstand & Wohlergehen gesamt

„Hohe Lebensqualität“: Gesamt leicht positiv. Während die Indikatoren Lebenszufriedenheit und physische Sicherheit stabil positive Werte zeigen, erfassen die aktuellen Daten für die beiden wichtigen Faktoren Armutsgefährdung und Überbelastung durch Wohnkosten noch nicht die Auswirkungen der Covid-19-Krise (Daten nur für 2019 verfügbar).

„Intakte Umwelt“: Gesamt leicht positiv. Die Verbesserung gegenüber dem Vorjahr ist auf den guten öffentlichen Verkehr in Österreich zurückzuführen. In der Energie- und Klimapolitik besteht hingegen weiterhin großer Handlungsbedarf – auch vor dem Hintergrund der nachgeschärften EU-Ziele für 2030 („Fit for 55“)⁴. „Fair verteilter materieller Wohlstand“: Insgesamt neutral bewertet – denn obwohl im internationalen Vergleich in Österreich großer materieller Wohlstand besteht, bleibt die Vermögenskonzentration ebenso anhaltend hoch wie der Gender Pay Gap und die Ungleichheit bei den Einkommen insgesamt. „Ökonomische Stabilität“: Angesichts der Herausforderungen der Covid-19-Pandemie stellt die insgesamt neutrale Bewertung hier einen guten Wert dar. Das spiegelt auch die wirtschaftspolitischen Anstrengungen wider, die nach der großen Finanz- und Wirtschaftskrise unternommen wurden. Österreich schneidet durchgehend besser als die Euro-Zone ab, nur die Ausgaben für Entwicklungszusammenarbeit werden hierzulande noch immer massiv vernachlässigt. „Vollbeschäftigung und gute Arbeit“: Besser als im Vorjahr, aber aufgrund der Krise immer noch negativ bewertet. Ein Teil der hohen Arbeitslosigkeit hat sich verfestigt, zudem können ältere und gesundheitlich beeinträchtigte Arbeitssuchende, Frauen, Menschen mit Behinderung sowie Niedrigqualifizierte weiterhin nur sehr schwer am Arbeitsmarkt Fuß fassen.

Konkrete Maßnahmen für eine wohlstandsorientierte Wirtschaftspolitik

Um bis 2030 die Ziele einer wohlstandsorientierten Wirtschaftspolitik zu erreichen, sind folgende Maßnahmen notwendig:

- Eine aktive Beschäftigungs- und Arbeitsmarktpolitik, die Gleichstellungsaspekte in den Fokus rückt und mit gezielter Armutsbekämpfung einhergeht, da Langzeitbeschäftigungslosigkeit das Armutsrisiko deutlich erhöht. Notwendig sind innovative Arbeitszeitmodelle bzw. Formen der Arbeitszeitverkürzung, eine staatliche Jobgarantie⁵, ein Ausbau sozialer Dienstleistungen für mehr Lebensqualität und neue Arbeitsplätze, eine Qualifizierungsoffensive in Richtung sozial-ökologischer Weichenstellungen, höhere Existenzsicherung bei Arbeitslosigkeit sowie eine bessere Personalausstattung des AMS.
- Öffentliche Investitionen,⁶ insbesondere in Klimaschutz, Forschung und die Bereiche der „Ökonomie des Alltagslebens“ (Wohnen, Gesundheit, Pflege und Kinderbetreuung sowie öffentlicher Verkehr), tragen auch zu hohem Wohlstand bei. Dafür braucht es nicht nur eine „Goldene Investitionsregel“ (Ausnahme von den strengen EU-Fiskalregeln), sondern insbesondere auch zusätzliche Mittel für Städte und Gemeinden.
- Fokus auf Verteilungsgerechtigkeit: Die öffentlichen Haushalte haben die Hauptlast der Krise geschultert, nun dürfen die Folgekosten der Krise keinesfalls auf die breite Bevölkerung abgewälzt werden. Stattdessen müssen progressive Abgaben auf Vermögen und Erbschaften⁷, Spitzen Einkommen und Dividenden zur Finanzierung herangezogen werden. Das würde die demokratiepolitisch problematische Vermögenskonzentration entschärfen und die nachhaltige Finanzierung der oben angeführten Maßnahmen erleichtern.

Hinausgehend über Empfehlungen zu aktuell notwendigen politischen Maßnahmen macht der Wohlstandsbericht auch konkrete Vorschläge zur Gestaltung von Institutionen und Prozessen in Österreich („Governance“):

1. Der Budgetprozess sollte um die soziale und ökologische Dimension

erweitert werden; jeweils im Frühjahr würde die Bundesregierung dazu eine „Entwicklungsstrategie“ präsentieren.

2. Grundlage dafür wäre ein Expert:innenbericht, der die Zielerreichung misst und daraus Empfehlungen ableitet. Die Indikatoren dafür sollten in breitem Konsens unter Berücksichtigung bestehender Berichte entwickelt werden.

3. Ein neu eingerichteter Beirat für die nachhaltige Entwicklung von Wohlstand und Wohlergehen würde diesen Bericht erstellen und die Beiträge zur Debatte leisten.

- 1 <https://sdgs.un.org/goals>
- 2 <https://awblog.at/aus-dem-corona-lockdown-in-klimaneutrale-eu/>
- 3 <https://awblog.at/was-kann-der-eu-krisenfonds-rrf/>
- 4 <https://awblog.at/fit-for-55-hebt-der-europaeische-gruene-deal-nun-ab/>
- 5 <https://awblog.at/warum-oesterreich-eine-gemeinwohlorientierte-jobgarantie-braucht/>
- 6 <https://awblog.at/5-gruende-fuer-initiative-investieren/>
- 7 <https://awblog.at/vermoegenssteuer-als-antwort-auf-extreme-ungleichheit/>

► Sybille Pirklbauer
Referentin für Sozialstaatsfragen, AK Wien
sybille.pirklbauer@akwien.at

Florian Wukovitsch
Referent für ökologische Ökonomie und Umweltpolitik, AK Wien
florian.wukovitsch@akwien.at

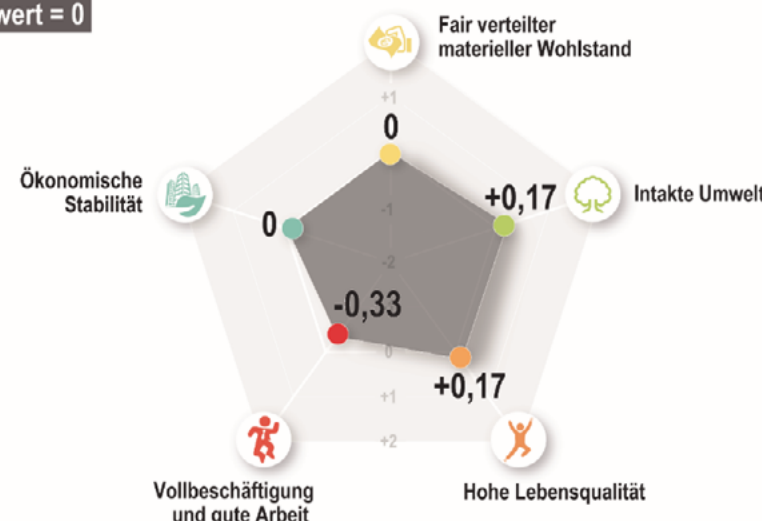


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WOHLSTAND & WOHLERGEHEN IN ÖSTERREICH

+2 = Ziel klar erreicht 😊 -2 = klare Zielverfehlung und negativer Trend ☹️

Mittelwert = 0



Quelle: eigene Darstellung

Creating an Economy for the Common Good

The Economy for the Common Good (ECG) is an innovative concept of the economy that puts people's wellbeing and the greater good at the center of its design. It measures success with a Common Good Product for national economies, a Common Good Balance Sheet for companies, and a Common Good Assessment for investments and finance. The movement started in 2010 in Vienna and has spread since to 33 countries. A current focus lies in developing a holistic framework of sustainability reporting.



Foto: © Robert Gortana

By Christian Felber

The wellbeing of the members of the household ("oikos") was the original goal of the Greek "oikonomia". Aristotle differentiated this eponymous concept of the modern word "economy"

from its opposite "chrematistiké" which was characterized by turning the means money and capital into ends. Whereas chrematistiké translates into modern language with capitalism, oikonomia was

by definition a wellbeing economy or, in other terms, an economy for the common good. The common was not the exception in the history of thought but the rule. Claus Dierksmeier concludes:

“From Aristotle via Thomas Aquinas, up to and including Adam Smith, there was a consensus that both economic theory and practice needed to be legitimised as well as limited by a certain overarching goal (Greek: telos) such as the “common good”.¹ Whereas economics as a science took a different route with the upcoming of the neoclassical school since the 1870s until today, the constitutions of democratic nations still contain the common good imperative for the economy. For instance, the Bavarian Constitution says: “The economic activity in its entirety serves the common good“. (Art. 151). The Constitution of Columbia states: “Economic activity and private initiative must not be impeded within the limits of the public good“.

Taking these historical precedents and contemporary imperatives as a model, the Economy for the Common Good (ECG) movement saw the light of day in Vienna in 2010. Since then, it has spread to 33 countries up to date. Some 5000 individuals engage in 200 local chapters and cooperate with companies, cities, and educational institutions from schools to universities. The principal claim and goal of the movement is the orientation of all economic activities towards the – democratically defined – common good. Concretely, economic success should be measured with a Common Good Product on the national level, a Common Good Balance Sheet for companies, and a Common Good (Impact) Assessment on the microlevel of investment and finance.

Common Good Product and Balance Sheet

A nationally defined Common Good Product can indicate a country’s success in meeting democratically defined goals that align with universal values. The sovereign citizens should define the Common Good Product at this national level. Perhaps in local assemblies, citizens would identify the twenty most relevant aspects of quality of life and wellbeing and convert them to a measurable and comparable indicator that tells us much more than the GDP. The Organization for Economic Co-operation and Development’s (OECD) “Better Life Index,” Bhutan’s “Gross National Happiness,” or the 17 Sustainable Development

Goals all exemplify alternatives to GDP. The Common Good Balance Sheet shows how much a company contributes to the

The principal claim and goal of the movement is the orientation of all economic activities towards the – democratically defined common good.

- common good on the micro-level. Balance Sheet questions include, for instance:
- Do products and services satisfy human needs?
 - How humane are working conditions?
 - How environmentally friendly are production processes?
 - How ethical is the sales and purchasing policy?
 - How are profits distributed?
 - How diverse is the workforce, and do they receive equal pay for equal work?
 - How involved are stakeholders in core strategic decision-making?

Businesses who complete a Common Good Balance Sheet assess their activities and contribution to the common good. Independent auditors examine the results, and a Common Good Report is published. The current average score, around 200-300, shows that these companies are going above the legal minimum standard and have a greater understanding of their broader influence in society, with areas for improvement. For a maximum of 1,000 points to be possible, it would mean a world living in peace with no poverty or unemployment, a stable climate and clean environment, equality, and engaged and motivated workers: society’s ethical goals would be accomplished. Companies with high balance sheet scores can be rewarded with tax benefits, lower tariffs, better loan terms, and priority in public procurement. These measures would make ethical and environmentally friendly products and services cheaper than ethically questionable ones. An example of applied common good economics is Portland. The city in Oregon is charging higher taxes on companies if the CEO’s pay is greater than 100 times the median pay of all employees, and an extra 25 per cent if the ratio exceeds 250 times.²

Holistic model

Next to the reorientation of economic

activities towards the democratically defined common good, the ECG model includes more innovative elements, such as ecological human rights, limiting a person’s environmental consumption to a fair share of the Planet’s sustainable offer. Ethical world trade would replace “free trade” without falling back to protectionism. Finally, balancing feedback mechanisms would moderate inequality in personal income and wealth and limit the size of corporations. Money could become a public good, and banks, stock markets, and other financial service providers could apply an ethical risk assessment or common good assessment before they help finance an investment. If no fundamental value is damaged and no common good expropriated, monetary means would flow in the future. The Genossenschaft für Gemeinwohl in Vienna created the first Common Good Account (Gemeinwohlkonto) in cooperation with the Umweltcenter of the Raiffeisenbank Günskirchen and has developed a “Common Good Banking”.

International movement

Since its start in 2010, the ECG movement has spread to 33 countries and founded 200 local chapters, with almost 5.000 volunteers engaging. In Austria, companies such as Sonnentor, Baumeister Lux, Gugler, Adamah, CulumNatura, Trumer Brauerei, FH Burgenland or Bildungshaus St. Virgil did a Common Good Balance Sheet. The first Common Good Municipalities are Mäder and Nenzing in Vorarlberg. The City of Münster has decided to do a Common Good Balance Sheet for all public enterprises. Steinheim is the first city to implement a Balance Sheet for the whole

Companies with high balance sheet scores can be rewarded with tax benefits, lower tariffs, better loan terms, and priority in public procurement.

city. In 2017, an ECG Chair was established at the University of Valencia, a first study, “Angewandte Gemeinwohl-Ökonomie” started in Austria in 2018, and the first scientific conference was held in 2019 at the City University of Applied Sciences in Bremen. In 2021, the ECG’s theoretical foundation, “From Neoclassical Economics to Common Good Economics”, was published in sustainability.³ Already in 2015, the European Economic and Social Committee declared by an 86-per cent majority that “the Economy for the

Common Good (ECG) model is conceived to be included both in the European and the domestic legal framework”. On the website of the Federal Chancellery on the SDGs, ECG is highlighted as one example of successful implementation.⁴ Currently, the movement is engaging in the revision of the European Unions’ Corporate Sustainability Reporting Directive, which will

affect companies with at least 250 employees from 2024 with mandatory sustainability reporting duties. Smaller companies mainly apply the Common Good Balance Sheet.

Christian Felber
Co-founder of the movement and author of the book “Gemeinwohl-Ökonomie”, which has been translated into 13 languages, English “Change everything. Creating an Economy for the Common Good“
christian.felber@ecogood.org

Common Good Matrix


The Common Good Matrix lies at the heart of the Common Good Balance Sheet. Version 5.0 can be seen below.

VALUE	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION
STAKEHOLDER				
A: SUPPLIERS	A1 Human dignity in the supply chain	A2 Solidarity and social justice the supply chain	A3 Environmental sustainability the supply chain	A4 Transparency and participation in the supply chain
B: OWNERS, EQUITY- AND FINANCIAL SERVICE PROVIDERS	B1 Ethical position in relation to financial resources	B2 Social position in relation to financial resources	B3 Use of funds in relation to the environment	B4 Ownership and co-determination
C: EMPLOYEES	C1 Human dignity in the workplace and working environment	C2 Self-determined working arrangements	C3 Environmentally friendly behaviour of staff	C4 Co-decision making and transparency within the organisation
D: CUSTOMERS AND BUSINESS PARTNERS	D1 Ethical customer relations	D2 Cooperation and solidarity with business partners	D3 Impact on the environment of the use and disposal of products and services	D4 Customer participation and product transparency
E: SOCIAL ENVIRONMENT	E1 Purpose of products and services and their effects on society	E2 Contribution to the community	E3 Reduction of environmental impact	E4 Social co-determination and transparency

Figure: Common Good Matrix 5.0, ECG movement

1 Claus Dierksmeier (2016): Reframing Economic Ethics. The Philosophical Foundations of Humanistic Management, palgrave Macmillan, S. 35.
2 Gretchen Morgenson: Portland Adopts Surcharge on C.E.O. Pay in Move vs. Income Inequality, in: New York Times, Dec 7, 2016.
3 <https://doi.org/10.3390/su13042093>
4 www.bundeskanzleramt.gv.at/themen/nachhaltige-entwicklung-agenda-2030/erfolgsgeschichten-agenda-2030/gemeinwohl-oekonomie-at.html

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We all need a wellbeing economy – that is where WEAll comes in

There is growing momentum for a transition to a Wellbeing Economy around the world, and the Wellbeing Economy Alliance (WEAll) offers amplification and a supportive community to everyone doing this work.

By Lisa Hough-Stewart

What is WEAll?
The Wellbeing Economy Alliance (WEAll) supports action, creates spaces, and changes the debate so that economies around the world are set up to deliver the wellbeing of people and the planet.

WEAll does not claim to be the Wellbeing Economy “movement” – rather, it supports and amplifies the work of others, acting as connective tissue between layers of the system and aiming to help our network achieve the impact that is greater than the sum of its parts.

By our network, we mean the vast number of organizations, individuals, and alliances that are already working to conceptualise

and deliver redesigned economic systems with wellbeing at their heart. Many of these are WEAll members: there are now almost 300 WEAll member organisations and over 2500 individuals with representation on every continent.

Members join WEAll because they share the vision of a new economic system that actually delivers collective and planetary wellbeing. They also join because the work of pushing for and implementing this redesign is often lonely and challenging in our current system, and WEAll provides an opportunity to connect with others striving for the same audacious goals.

Many members tell us that finding WEAll feels like finding their tribe, and it is increasingly evident that spaces for dialogue and support are equally important to our membership as the creation of tools and resources.

WEAll was initially formed because “Wellbeing Economy” was considered by long-

WEAll was initially formed because “Wellbeing Economy” was considered by long-standing leaders in the new economy space to be a term that could resonate broadly and deeply with different audiences and give the movement more momentum.

standing leaders in the new economy space to be a term that could resonate broadly and deeply with different audiences and



Foto: © Ida Kubiszewski

give the movement more momentum. The increasing interest in and use of the term, including in the EU’s 8th Environment Action plan, suggests they were right.

“Wellbeing Economy” is offered as a broad lens through which to approach the economy. Other concepts, including Doughnut Economics and the Economy for the Common Good, are not in conceptual competition with the Wellbeing Economy: they are examples of how we can get to a Wellbeing Economy. We often say that WEAll is less a tent, more a picnic blanket: rolled out widely with enough room for all the offerings that are contributing to the vision of a Wellbeing Economy.

In addition to members around the world, WEAll also has a network of place-based hubs that facilitate collaboration and activity towards building a Wellbeing Economy where they are based, bringing Wellbeing Economy ideas to life in ways that are relevant to their communities, while benefiting from being part of a global alliance.

Currently, there are 18 such hubs at various stages of development. Some, like WEAll Scotland, are established organizations with staff and/or volunteer teams and achievements under their belt: others are still in formation.

Wellbeing Economy Governments (WEGo)

The Wellbeing Economy Governments partnership (WEGo) is a collaboration of national and regional governments sharing expertise and good practices. WEGo, which currently comprises Scotland, New Zealand, Iceland, Wales, and Finland, is founded on the recognition that ‘development’ in the 21st century entails delivering human and ecological wellbeing. The members of WEGo commit to:

- Collaborate in pursuit of innovative policy approaches to create wellbeing economies – sharing what works and what does not, to inform policymaking for change.
- Progress towards the UN Sustainable

Development Goals, in line with Goal 17, fostering partnership and cooperation to identify approaches to delivering wellbeing.

- Address the pressing economic, social and environmental challenges of our time.

The Wellbeing Economy Alliance (WEAll) helped to instigate WEGo and still supports the partnership with knowledge and evidence of the Wellbeing Economy. The Scottish Government provides secretariat support for the group.

WEGo is in many ways a living laboratory for governments transitioning to a wellbeing approach. None of the WEGo governments can claim to have fully delivered a Wellbeing Economy (yet). However, their ambitions have been underpinned by legislation and frameworks moving away from GDP as the primary measurement of their country’s success, securing wellbeing as a long-term priority in a truly accountable way:

- Finland is implementing an Economy of Wellbeing¹
- Iceland has Indicators for Wellbeing² which guide government decision-making.
- New Zealand has a Wellbeing Budget and a Living Standards Framework³ rooted in wellbeing indicators.
- Scotland has a National Performance Framework⁴ which has wellbeing at its heart.
- Wales has put the importance of wellbeing into law with its Wellbeing of Future Generations Act.⁵

Wellbeing Economy Policy Design

Of course, the WEGo members are not the only governments working to move beyond GDP and towards a Wellbeing Economy, nor is it only at the state level where we can find examples of policy transformation.

The challenge is that our current economic thinking has not only determined our measurements of progress, but also our government structures, societal power

dynamics and cultural narratives. Developing a Wellbeing Economy is, therefore, not only about changing what we are measuring, but also about changing our relationship to the economy and our approach to its management and governance.

WEAll published the Wellbeing Economy Policy Design Guide in 2021, which was co-created along with 70 members. The

Meaningful participation and holistic thinking are fundamental features, not only of a Wellbeing Economy, but also of how we get there.

guide offers possibilities for developing policies for a Wellbeing Economy and strives to be practical but not prescriptive so that communities and policymakers can align processes and ideas to their unique context.

Meaningful participation and holistic thinking are fundamental features, not only of a Wellbeing Economy, but also of how we get there. Therefore, a Wellbeing Economy policy design approach requires an appreciation that all outcomes must be co-produced with communities and stakeholders who hold the insights needed to create an economy that aligns with their values and objectives.

Four WEAll hubs are currently delivering pilot projects⁶ to implement the Policy Design process of the Guide: California, Canada, New Zealand, and Scotland. Like all of WEAll’s work, these pilots are bold and experimental, and we are committed to learning from their experiences.

The work of advocating for and creating a Wellbeing Economy is already happening: WEAll offers resources and spaces to support everyone doing this work or interested in trying. If this resonates with you, join us.⁷

▶

Lisa Hough-Stewart
WEAll Organisation and Projects Co-Lead
lisa@weall.org

1 <https://stm.fi/en/economy-of-wellbeing>
2 www.government.is/lisalib/getfile.aspx?itemid=fc981010-da09-11e9-944d-005056bc4d74
3 www.treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework
4 <https://nationalperformance.gov.scot>
5 www.futuregenerations.wales/wp-content/uploads/2018/11/FGCW-Framework.pdf
6 <https://weall.org/four-pilot-projects-bringing-the-weall-policy-design-guide-to-life>
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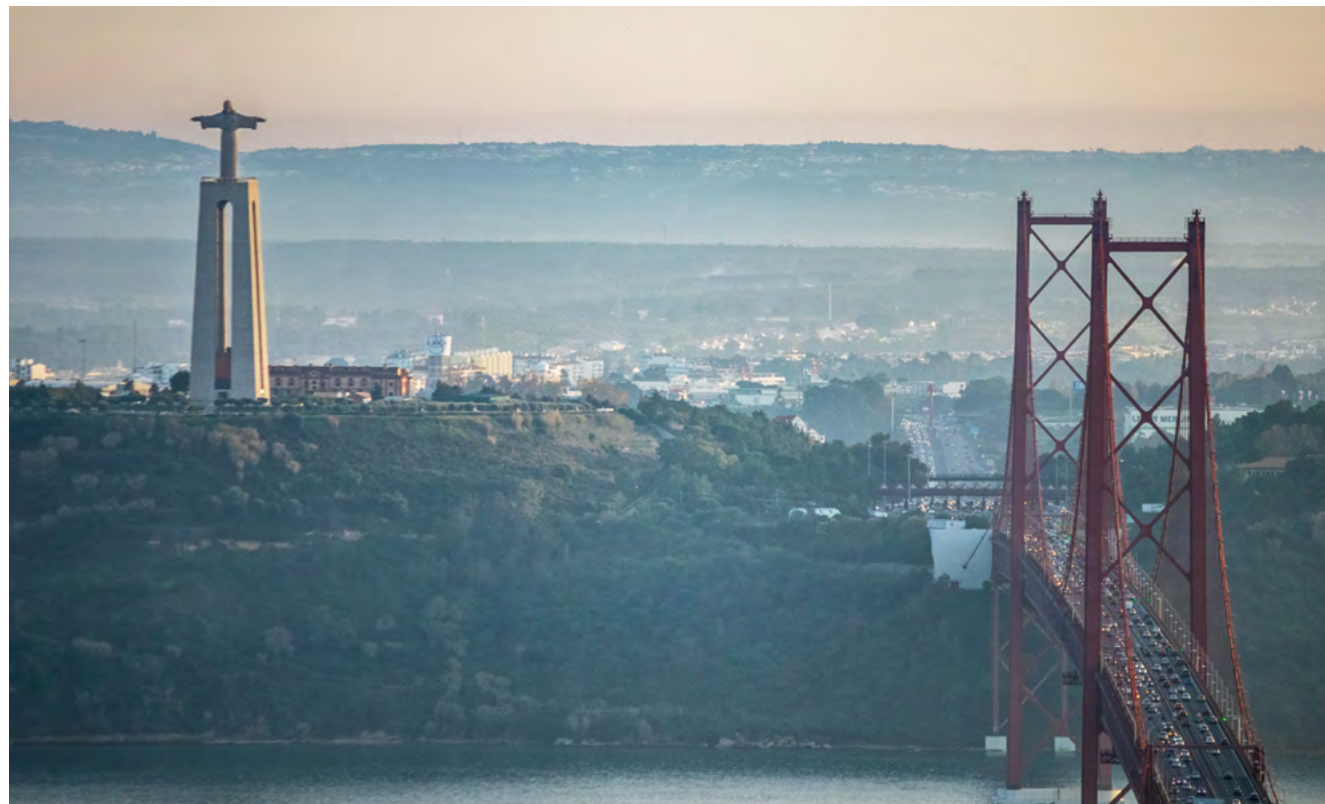


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Towards a Wellbeing Economy – the Portuguese path

It is now clear that it will take a structural change to halt the negative progression of many of the indicators we use to evaluate society's sustainability and wellbeing. Amidst the many paths under discussion, the Wellbeing Economy stands out as promising. ZERO, a Portuguese environmental NGO, set the first stepping stones to ignite this discussion in Portugal. In this article, we share our experience hoping to inspire other countries to join in and work together towards a collective Wellbeing future for all.



Foto: © Susana Fonseca

By Susana Fonseca

ZERO – Association for the Sustainability of the Earth System, actively follows a broad spectrum of environmental topics in Portugal, from climate change to a circular economy, water to biodiversity, agriculture to economic transition, among others, focusing mainly on advocacy work since it was founded in 2015.

Founded amidst the discussion and general agreement over the Sustainable Development Goals, ZERO acknowledged, from the beginning, that sustainability requires more than working on specific projects. It requires fundamental structural

change. Doing a little bit better, more or just a little more efficiently will not be enough.

It requires fundamental structural change. Doing a little bit better, more or just a little more efficiently will not be enough.

There are many different visions and perspectives on what this structural change might mean and what it will imply. When we were first introduced to the Wellbeing Economy approach (during an event on 'Economic Transition' organized by the umbrella organization EEB - European Environmental Bureau), we were immediately intrigued and, in a way, fascinated by it.

Asking the right questions

What is the purpose of the economy? To create value for some, or create value for all? Whom does it serve? Those who have the upper hand, or should it fulfill the purpose to serve all, including the planet? Where should public investment be directed? Should it focus on providing for the collective wellbeing within the framework of planetary boundaries, or should it be used to compensate and minimize impacts and inequalities derived from the current Economy concept?

These are the fundamental questions that prompted us to bring the Wellbeing Economy approach to Portugal, to spark a

national discussion on how Portugal can become a Wellbeing Economy and why it should move in that direction.

With its clear focus on continuous growth, the current economic model has serious negative consequences: a growing inequality, the feeling of being unsafe, the disrespect for basic human rights, climate change, and loss of biodiversity, to name a few.

A Wellbeing Economy is based on the idea that it is possible, from the start, to design strategies, policies, and to have economic activities that directly respond to the fundamental needs of people, in full alignment with planetary boundaries, preventing the need to compensate, minimize and equalize.

The participatory process

One of the core elements of the Wellbeing Economy process is participation, guaranteeing that different perspectives are brought into the discussion, if it is meant to be for all it must be inclusive from the start. Considering this, we decided to kick start the discussion in Portugal by organizing an online conference¹ where we brought together representatives of the Wellbeing Economy Alliance², from a Government already walking this path (Scotland) and the OECD's Better Life Initiative³.

We then initiated a participatory process, inviting stakeholders from different quadrants of the Portuguese society to join a set of four online workshops. A pretty intensive process (with all four workshops happening in just over one month) that required a lot of engagement and meaningful participation by all thirty-one stakeholders.

During the workshops, we tried to accomplish a shared vision on what a Wellbeing Economy in Portugal in 2040 would look like, on the path or paths needed to get there, and what role local action should play to enable this transformation. In particular, the final workshop focused on the

debate on how to evaluate and monitor the paths towards the common goal of a Wellbeing Economy in Portugal.

The vision

Building a vision is a process and therefore in every workshop, we revisited it so that it would encompass all different perspectives in the best way possible. The final version states that:

"In 2040, we want Portugal to be a country where all can live healthy and fulfilling lives, independently of who they are or where they live. Decisions are participated,

With its clear focus on continuous growth, the current economic model has serious negative consequences: a growing inequality, the feeling of being unsafe, the disrespect for basic human rights, climate change, and loss of biodiversity, to name a few.

inclusive and transparent. All people live with dignity, connected and in harmony with nature, recognizing and respecting the interdependences and limits. There is a sense of community, prosperity and cohesion throughout all regions and respect amongst all people (present and future generations) within Portuguese territory and beyond its borders."

This vision captures the main dimensions identified as characteristics of a Wellbeing Economy: dignity, connection with others and with nature, justice, equity, and participation. One of the last aspects to be added to this vision was the external dimension, more specifically, the impacts of our actions, as a country, on other people and the planet beyond our borders. This reflection emerged from a broader discussion over the intergenerational dimension (future) and the need to also highlight the intragenerational dimension (present), that is, to guarantee a just distribution and respect for the rights of those who share our time in history.

It is also worth mentioning that most participants perceived their 'level' of wellbeing to be higher than the average of the Portuguese society, once again showing the importance of working towards a society where the values associated with wellbeing are more clearly enacted by the public and private decision and actions. Only then will

we be able to, in a progressive way, promote and provide wellbeing to an increasing part of society.

And what about the future?

Despite the inspiring results of these initiatives, we are well aware that they are just one small step in the overall path towards a Wellbeing Economy in Portugal. Much more needs to be done, and a much broader participatory process will have to happen before we can genuinely say we are moving in the wellbeing direction.

Portugal is now in the process of electing a new national parliament and a new government. ZERO will work closely with the latest political representatives to bring the Wellbeing Economy approach to the table for discussion. We will also focus on amplifying positive aspects of what is already in motion to sustain that a Wellbeing Economy is not only possible but desirable as a mean to add resilience, prosperity, and balance to our shared future.


We are always hopeful that more and more countries will join in and support this transition, for this is a path only successful when done collectively. In the Wellbeing Economy Governments partnership (WEGo)⁴, national and regional governments come together to share and learn from different experiences, embodying the core spirit of this movement. No one holds the truth on how to do it well. We can all learn from each other and, from that openness and willingness to learn and share, we can certainly trust we will be progressing, even if not always getting it right at the first attempt.

Hopefully, soon, Portugal and Austria will be among the proactive governments clearing the path to our common Wellbeing!

▶ Susana Fonseca
Member of the Board
ZERO – Associação Sistema Terrestre Sustentável
susana.fonseca@zero.org

¹ The debate, mainly in English except for the Portuguese Minister of Environment and Climate Action intervention, can be found here: www.youtube.com/watch?v=r3jmog7A9og&t=435s
² <https://weall.org/>
³ www.oecd.org/wise/better-life-initiative.htm
⁴ <https://weall.org/wego>

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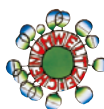
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