



**WELLBEING  
ECONOMY**  
ALLIANCE

# Wellbeing Economy Governments: a briefing for WEAll members

This briefing paper aims to support WEAll allies and members to promote the WEGo partnership to officials in their respective governments. Please note that this document is not designed for wide distribution.



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## Overview

The [Wellbeing Economy Governments \(WEGo\) partnership](#) is a collaboration of national and regional governments, promoting sharing of expertise and transferable policy practices to advance a common ambition of building a wellbeing economy. WEGo currently comprises Scotland, New Zealand, Iceland, and Wales, with the Scottish Government’s Office of the Chief Economist providing [secretariat support](#).

The purpose of the WEGo partnership, as Scotland’s First Minister Nicola Sturgeon explained in her [TED Talk](#), is to challenge the dominance of mainstream economic measures, such as GDP, and to highlight the significance of social and environmental factors like mental health, equal pay and access to green spaces. Iceland’s Prime Minister, Katrín Jakobsdóttir stated at [her talk at the Chatham House think tank](#) that one of the key steps in building a wellbeing economy is " how you prioritise in the public budget - you can always have an emphasis on wellbeing". Therefore, WEGo is "[a light in the darkness](#)" as she described it at WEGo’s first policy lab in 2019.

The stated [OBJECTIVES of WEGo](#) are:

- COLLABORATE in pursuit of innovative policy approaches to create wellbeing economies – sharing what works and what does not to inform policymaking for change.
- PROGRESS toward 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.



©Photograph taken by Martin Oetting and Nick Scholey at the 6th OECD World Forum in South Korea in 2018 as part of their [Wellbeing Economies Film project](#), including Michael Cairns, Lorenzo Fioramonti, Gary Gillespie, Suzy Morrissey, Joseph Stiglitz, Benedikt Árnason and Katherine Trebeck.

## WEGo: a space to co-create and adopt wellbeing economy policies

WEGo members are connected by a shared vision to learn from each other and collaborate on how to re-orientate their policymaking in a world of rising inequalities and environmental breakdown. The partnership offers the space to co-create and adopt policies that address the current challenges and shift their policy efforts towards a wellbeing economy.

**A wellbeing economy is one that delivers flourishing for all people, sustainability for the planet, and prevents harm being done in the first place. Therefore, expensive downstream interventions to fix the societal and environmental damage caused by structural dependence on growth will be avoided.**

## Coverage

Due to its innovative approach, the WEGo initiative has received extensive press coverage at a national and global level as well as being the subject of a forthcoming documentary film.

As stated by third parties:

[“It’s about time someone started standing up for the people and the planet, and this stance is sure to turn some heads.”](#)

[“If we want to put people first, we have to know what matters to them, what improves their wellbeing and how we can supply more of whatever that is. The Beyond GDP measurement agenda will continue to play a critical role in helping us achieve these crucial goals.”](#)

[“Scotland, New Zealand and Iceland are leading the way in this debate, and such champions are badly needed in our world, in which almost half of humanity is still locked in poverty.”](#)

## Policy lab

The primary mechanism by which WEGo operates is via an annual policy lab where government officials share relevant experience and expertise in embedding wellbeing outcomes in practice. There are also more regular calls between officials.

The [first policy lab](#) took place in Edinburgh in May 2019 (in Adam Smith's family home) . It was attended by the First Minister of Scotland, Nicola Sturgeon; the Prime Minister of Iceland, Katrín Jakobsdóttir; and senior officials from New Zealand and the OECD. The discussions included areas of mutual concern to members: sustainable tourism, wellbeing economy frameworks and targets, wellbeing economy budgeting, tackling child poverty, and natural capital accounting. In April 2020, a virtual policy lab took place with Wales, Finland and the OECD participating along with the founding WEGo members. After the completion of the policy lab, Wales announced their membership of the partnership through an [official statement](#).

## Background to the creation of WEGo

WEGo was instigated by the Wellbeing Economy Alliance (WEAll) team several years ago. It evolved from an idea advocated by Professor Lorenzo Fioramonti and Dr Katherine Trebeck, and WEAll continues to support and promote the work of the partnership and its members.

The first meeting of interested governments and the OECD together with members of (what became) the WEAll Knowledge and Policy cluster took place at Scotland's Inclusive Growth Conference in 2017. In November 2018 at the OECD Wellbeing Forum in South Korea, the founding members of Scotland, New Zealand and Iceland launched WEGo and invited others to join them. The launch included senior OECD officials, academics and statisticians from around the world. Nobel Laureate Joseph Stiglitz said:

**"WEGo is a fascinating and important support to governments putting wellbeing into practice and taking a broader view that address several concerns at once...it is a wonderful initiative."**

This was endorsed by Dr Gary Gillespie, Chief Economist of the Scottish Government:

**"WEGo is a group of countries working together to contribute to wellbeing, via the economy: it is about bringing the economic lens back into the wellbeing agenda by sharing expertise within the group and collaborating for better polices."**



©Photograph taken by Martin Oetting and Nick Scholey at the 6th OECD World Forum in South Korea in 2018 as part of their [Wellbeing Economies Film project](#), including Suzy Morrissey, Benedikt Árnason, Gary Gillespie and Joseph Stiglitz.

## Policy frameworks

WEGo members are adopting policies that prioritise people and the planet. Such policies include the regeneration of the natural world, reducing carbon emissions in order to reach the net-zero target, tackling inequalities in all forms, and supporting human and community flourishing. For instance, Iceland is ranked [first for gender equality](#), New Zealand has designed their [Budget](#) around wellbeing indicators, Scotland is developing its [circular economy agenda](#) and a [Fair Work Action Plan](#), and Wales has launched a [Wellbeing of Future Generations Act](#).

Of particular importance is putting wellbeing at the heart of policy making and developing whole of government frameworks:

**New Zealand's** Government introduced in 2019 their [first Wellbeing Budget](#) committing to putting people's wellbeing and the environment at the heart of their policies by setting [five priority areas](#). The Budget uses the Treasury's Living Standards Framework. Government departments are required to collaborate and make budget bids based on the stated wellbeing outcomes. Social and health issues, such as child poverty, domestic violence and mental health have been identified as priorities.

**Iceland** introduced a [framework of 39 indicators](#) focusing on social, economic and environmental aspects of life. Traditional economic measures, such as GDP, will *no longer be the sole measure* of the country's success. Instead, trust in politics, mental health, job satisfaction, preserving the natural environment and social justice will be considered equally significant. The purpose is to provide a broader picture of people's wellbeing and aid pursuit of the UN Sustainable Development Goals.

**Scotland** launched in 2018 its revised [National Performance Framework](#), setting out a suite of targets and measures that put wellbeing, dignity, compassion, transparency along with economic, environmental and social progress at the centre of Scotland's performance. The report provides **11 national outcomes and 81 national indicators** including culture, health, environment, human rights, fair work and business, and education while incorporating the UN Sustainable Development Goals. In addition, in February 2020, the [Scottish Budget 2020-21 was presented as reflecting the Government's commitment to creating a more successful country with increased wellbeing and sustainable and inclusive growth](#).

**Wales** presented in 2015 the [Wellbeing of Future Generations Act](#) aiming to improve the country's social, cultural, environmental, and economic wellbeing by setting out seven wellbeing goals. The Act requires public bodies to consider their decisions' long-term impact, work with communities and with each other, and adopt a prevention approach on social and environmental issues, such as poverty, health inequalities, and climate change. By defining a 'sustainable development principle', it introduces five ways of working in order public bodies to achieve all set goals.

## Administration of WEGo

The Scottish Government is currently providing secretariat support for the group. As a result, no financial contribution by members is requested (although this may change as the group grows in membership and requires additional administrative capacity).

## Joining WEGo

In order for a country to join the partnership, existing members must agree, and an invitation issued by the Chief Economist or First Minister of Scotland (usually this would follow a series of more informal conversations between the Chief Economist and officials from a respective government). Often prior to this, officials from a prospective government might take part in discussions at the policy lab as observers.

As a nascent initiative, there are no formal criteria for membership as yet. Still, it is implicitly expected that a prospective overnment has demonstrated sincere intent to advance the wellbeing economy agenda through some substantial policy measures and does not display glaring disregard for the ethos of a wellbeing economy (for example, by being considered a serial violator of human rights or a tax haven). It is not about being perfect, but about collaborating to get better.

## What you can do and how we will help

As the wellbeing economic model attracts increasing attention worldwide, it is pivotal for the WEGo initiative to be promoted at a regional and national level. Your help and contribution are vital to stimulate governmental collaboration and improved development and implementation of policies that support the creation of a wellbeing economy. **By mentioning WEGo in your speeches and writing, sharing the idea in your social media accounts, reaching out to influential audiences, and promoting it amongst key advocates and government officials, you will support the expansion of the forum.**

WEAll is here to assist you by providing relevant material, sharing regular updates in terms of policy frameworks and changes, informing you about media coverage, and being the first point of contact for wider support regarding the wellbeing economy model.

Please do not hesitate to get in touch with our Advocacy Coordinator, Anna Chrysopoulou, [annac@wellbeingeconomy.org](mailto:annac@wellbeingeconomy.org)

## Useful Links

For further information on research, theory and practice that demonstrates how we could build a wellbeing economy, please check:

- [What is WEAll?](#)
- [Wellbeing Economy Alliance: Our vision for a movement to bring about economic system change](#)
- [From the old way to the new way: How a wellbeing economy will respond to issues differently](#)
- [Wellbeing Economy Governments](#)
- [WEAll Briefings: Little Summaries of Big Issues](#)

## Concepts and framings that WEAll has found useful in dialogue with governments

The section below seeks to provide key concepts from the wellbeing economy agenda, including some key differences between collective wellbeing and mainstream economic approaches.

### Wellbeing and happiness

The terms 'wellbeing' and 'happiness' are often used interchangeably despite having distinct meanings.

Happiness is a subjective term individual self-assessment, but there is not an automatic benefit to society or the environment. As Joseph Stiglitz stated at the OECD's World Forum in 2018, wellbeing is broader than happiness, as an individual might feel happy while destroying the environment.

A wellbeing economy is a call for system change. The wellbeing economy agenda is about collective and multidimensional wellbeing, and it includes quality of life and sustainability of the planet. Those advocating for a wellbeing economy focus on how we want to live together and how we can drive change at all levels of the economic system.

### From 'Surviving and Coping' to 'System Change'

Creating a wellbeing economy entails economic system change. Surviving and coping, on the other hand, are strategies used by individuals and communities to face current social, environmental, and economic challenges. The latter is, of course, vitally important, but does not attend to the root causes.

A wellbeing economy approach, while strongly supporting the adoption of policies aimed at helping individuals survive and cope with current circumstances, recognises the need to pay attention to those circumstances themselves. For instance, in the case of climate breakdown, policies around climate change adaptation are crucial to survive and cope with the impact of more chaotic weather patterns on communities. However, the drivers of climate change and environmental degradation should not be ignored: it is vital to preserve and regenerate our natural resources, so adaptation becomes unnecessary. Another example can be found on the measures to support individuals to cope with mental health challenges, such as stress and anxiety. While treatment is significantly important, many of the causes of mental ill-health that relate to socio-economic circumstances, such as labour market structures and inequalities that must also be attended to in a wellbeing economy approach.

## Downstream vs upstream

WEGo offers countries the space to explore the benefits of adopting an upstream, preventative approach to policy decisions. Much current policy effort and considerable resource is currently deployed fixing the damage caused by environmental degradation, climate change, social inequalities, in-work poverty, high levels of stress and anxiety, and so on. This downstream intervention is both inadequate and expensive. A wellbeing economy instead promotes upstream prevention strategies that tackle the causes of the current social, environmental and economic challenges. It recognises the interrelatedness of systems and seeks to address inequalities and environmental degradation at their root. For instance, instead of focusing on waste treatment regulations alone, policy makers could also adopt policies that support a circular economy which prevents the generation of waste in the first place; reactive measures such as in-work tax credits (for those with insufficient wages) would be less necessary in a wellbeing economy that predistributes wealth much more fairly.

## Failure demand

As the current economic system fails to understand and respond to people's needs, such as dignity, nature, connection, fairness and participation, 'failure demand'[1] (in social policy) or 'defensive expenditure' (in ecological economics) forms a substantive part of what is counted in GDP. Policy makers and governments spend considerable resources fixing the damage that has been done in pursuit of growth. For instance, it was estimated that in [Scotland, 40% of local public spending](#) was driven by 'failure demand'. Also, according to the Joseph Rowntree Foundation [poverty costs Britain £78 billion every year](#). In 2015, IMF demonstrated that effective 'subsidies' to fossil fuel companies, taking into consideration expenditure due to pollution, floods, droughts, and storms linked to climate change, equated to [\\$5.3 trillion a year](#). On the contrary, a wellbeing economy is designed for social justice and environmental health that will prevent this avoidable demand for intervention and expenditure.

## The fiscal impact of the prevailing economic system

Governments have been responding to the current social, and environmental crisis with a suite of amelioration measures such as redistributing after the gap between the wealthiest and the poorest has opened up, cleaning up after floods and storms caused by climate change or providing respiratory medicines for those whose asthma is exacerbated by pollution. Despite those reactive measures being extremely vital, we need to understand the fiscal impact of such harm that could be avoided (and how much growth has been justified making up the harm of not having a wellbeing economy). Policy makers must take account of the funds that are deployed- however inadequately- in response to the way the economy harms people, communities, and the environment.

[1] The term failure demand was initially described by John Seddon in reference to manufacturing and corporate systems. Seddon explained that the rise in demand for a service often reflects a problem rather than being a sign of success.