

# EU2019.FI

## Conference Proceedings of the High Level Conference on the Economy of Wellbeing

18-19th SEPTEMBER 2019

FINLANDIA HALL, HELSINKI, FINLAND

*This conference was funded by  
the European Union's Health  
Programme (2014-2020).*



# Contents

Purpose of the High Level Conference on the Economy of Wellbeing . . . . .	2
Plenary Session: Interlinkage between Wellbeing and Economic Policy . . . . .	3
Parallel Session 1: Reducing Inequality & Providing Equal Opportunities . . . . .	4
Parallel Session 2: Investing in Capabilities in Changing World . . . . .	5
Wrap-up Session of Day 1 . . . . .	6
Plenary Session: Sustainable, Inclusive Economy in the Framework of Sustainable Development and Agenda 2030 . . . . .	7
Plenary Session: Political Next Steps and Messages for the New Commission . . . . .	8
Conference Closing Session . . . . .	9
Discussion on the Conference Topics . . . . .	10

# Purpose of the High Level Conference on the Economy of Wellbeing

The High Level Conference on the Economy of Wellbeing brought together high-level key stakeholders to generate cross-sectoral dialogue on the 'Economy of Wellbeing' approach, which examines the two-way relationship between wellbeing and the economy while emphasising people's wellbeing as a value in itself. The discussions supported the drafting of the Council conclusions on the Economy of Wellbeing. During the first conference day, the participants joined together to

- identify interlinkages between wellbeing and economic policy,
- understand complexities in reducing inequality,
- share means to provide equal opportunities,
- find ways to foster sustainability by investing in people's capabilities.

The second conference day aimed to use the shared understanding from the first day to identify political next steps and messages for the next Commission. Furthermore, the second day viewed how Economy of Wellbeing approach contributes to the implementation of Agenda 2030 goals. During the second conference day participants

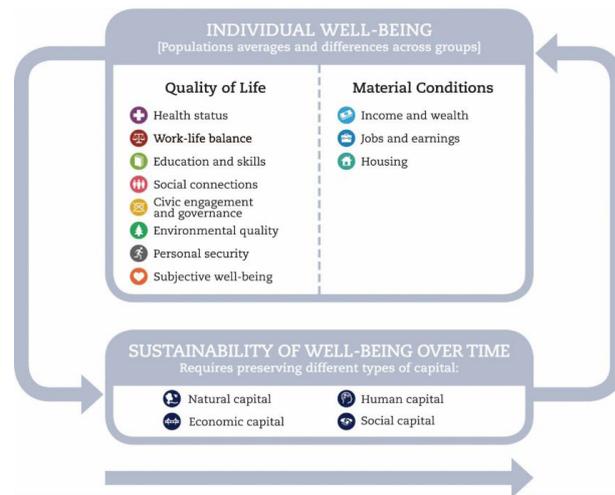
- understood what is needed to build an inclusive economy in the framework of sustainable development and Agenda 2030
- identified political next steps in advocating the Economy of Wellbeing
- came up with important take-aways for the new Commission.

This conference proceedings document summarises the key points and discussions in the conference. It aims to give the reader an overall look to the broad topic that is Economy of Wellbeing and how it was discussed in the conference.

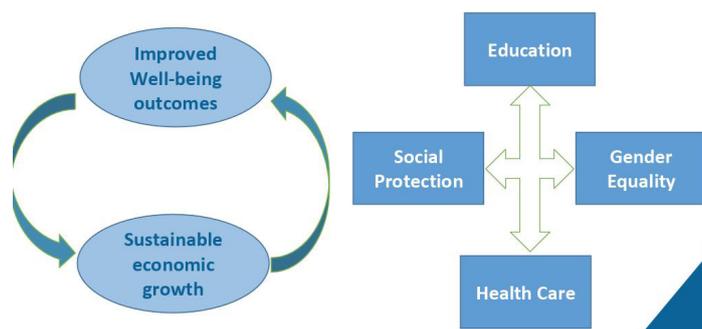
# Plenary Session: Interlinkage between Wellbeing and Economic Policy

Opening session investigated ways to build a green and fair European social market economy. Three most important insights from the sessions were:

- 1. Wellbeing and economic growth are two sides of the same coin.** They form a mutually reinforcing virtuous cycle. "We can give new boost to the European project where economic growth and social rights go hand in hand", as Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility said in the Opening Session of the conference.



- 2. Investment in education is required to allow Europeans to tap into the new world of work.** Work is changing due to artificial intelligence, platform economy and other drivers. This does not mean an end to work, but requires new skills and education. Especially Director-General Carsten Stender from Germany highlighted the new paradigm of technology development, where Europe can lead the way in shaping technology not after the fact, but help develop it through regulation. This should put people at the center of policy, making sure that the upward convergence of the Member States is a reality. This approach was also highlighted by professor Daniela Gabor, who advocated a Just Green New Deal and better taxonomies in finance.
- 3. In addition to investments in education, investments in health, social protection and gender equality are needed to drive the virtuous cycle of Economy of Wellbeing.** These four policy areas are essential for both wellbeing and economic growth.



# Parallel Session 1: Reducing Inequality & Providing Equal Opportunities

The OECD's recent background paper on the Economy of Wellbeing focuses on four key areas that are essential both for wellbeing and economy, namely: *education and training, health, social protection and redistribution and gender equality*. It is important to assure equal opportunities on all these four.

This parallel session investigated this topic further through a keynote speech by London School of Economics professor Naila Kabeer and a high-level panel discussion. Panel participants were

- *Tanel Kiik, Minister of Social Affairs, Estonia*
- *Michael O'Flaherty, Director, European Union Agency for Fundamental Rights*
- *Katarina Ivanković Knežević, Director, DG EMPL*
- *John F. Ryan, Director, DG SANTE*
- *Minna Kelh , State Secretary of Education and Culture, Finland*

**In short, the Parallel Session 1 on reducing inequality & providing equal opportunities emphasized putting people in the center of attention.**

- 1. Universalism has been argued to be one of the bases of human rights.** But human rights do not resonate all around the world. To find strong argument for universalist social protection, we need to rethink the individual rights and duties. According to professor Naila Kabeer, LSE, the main arguments against universalism have been either *normative*, stating that welfare handouts lead to dependency cultures or *practical*, such as fiscal constraints.
- 2. Digitalisation of Health and Social services brings several benefits.** For example, more holistic healthcare can be provided when health data is better available and shared across sectors. However, we must put health professionals and patients at the center of the development of digital services to ensure everyone has equal skills to use digital services.
- 3. Economy of Wellbeing must come to life for the people who need it the most.** Three groups to which we must pay attention to are children, people with disabilities and the roma people. These groups should be in the heart of the Economy of Wellbeing.

## Parallel Session 2: Investing in Capabilities in Changing World

This parallel session concentrated on fostering people's capabilities, especially in a changing world of work. It hosted a keynote speech by Professor of Copenhagen Business School Caroline de la Porte, which was followed by a panel discussion. The panelists were

- *Patrick Develtere, Principal Adviser for Social Policy, European Political Strategy Centre*
- *Virginija Langbakk, Director, European Institute for Gender Equality*
- *Tadas Leončikas, Senior Research Manager, Eurofound*
- *David McDaid, Professor, London School of Economics*
- *Paul Schoukens, Professor, KU Leuven*
- *Yogindra Samant, Chief Medical Officer, Norwegian Labour Inspection Authority*

**In short, parallel session 2 focused on putting effort to right concrete actions and not reinventing the wheel.**

- 1. There are lots of good practices already.** While social policy in the EU faces many tensions and challenges from demographic change to brain drain, **lots of good things exist already.** So let's not reinvent the wheel, but be more precise in what policies are in the center of agenda.
- 2. The EU can do more to give people opportunities for a good life.** Good life for many is about being able to use their talents and skills in a meaningful way. Nevertheless, investing in talent and skills should be done early: this means e.g. prioritising kindergartens and schools.
- 3. Gender budgeting and other concrete tools can function as leverages to advocate wellbeing and better share the fruits of economic growth.** Other leverages include a better understanding of the impact of jobs to health and mental health and paying attention to the fact that becoming unemployed is one of the few changes in life after which the people do not recover their wellbeing, even after a long period of time.

# Wrap-up Session of Day 1

The wrap-up session was a Q&A with Minister of Family Affairs and Social Services Krista Kiuru. Here are the key takeaways from her answers:

- 1. Finnish Presidency wants continuity with the Economy of Wellbeing.** Krista Kiuru said she wants to challenge the EU to discuss how people-centered wellbeing policies are essential to ensuring social cohesion, resilience and competitiveness both nationally and at the European level. She referred to Dr. von der Leyen, who has also pointed out that it is not people that serve the economy. It is the economy that serves people.
- 2. Drivers behind the Economy of Wellbeing.** Krista Kiuru mentioned that to achieve sustainable and inclusive growth, we need to promote the European social model. It creates stability, which is a significant advantage for the EU in the tightening global competition. The EU should aim to be not only the most competitive but also the most socially cohesive economy in the world. Thus, resilience and capacity to adapt quickly to changes, at every level of society, are more important than ever.
- 3. Digitalisation as a challenge and opportunity.** According to Krista Kiuru, new digital tools and technologies have countless possibilities. To name a few: the potential to enable personalized medicine, through better use of health data, and to identify more accurately people at risk of developing disease and patients who are most likely to benefit from treatment. Indeed, with digitalization we can promote both people's wellbeing and the system's efficiency – in the spirit of Economy of Wellbeing. But we must, of course, make sure no one is left behind due to digitalization.

# Plenary Session: Sustainable, Inclusive Economy in the Framework of Sustainable Development and Agenda 2030

Thursday's first plenary session concentrated on how economy contributes to the sustainable development and Agenda 2030 goals. It hosted a keynote speech by Director-General Kerstin Jorna, DG ECFIN, on Economy of Wellbeing and implementing the Agenda 2030, illustrating the sustainability, investment and wellbeing aspects of the Economy of Wellbeing, followed by a panel discussion. The participants of the panel discussion were

- *Timo Harakka, Minister of Employment, Finland*
- *John F. Ryan, Director, DG Sante*
- *Päivi Sillanaukee, Permanent Secretary, Ministry of Social Affairs and Health*
- *Marja Järvelä, Professor Emerita, University of Jyväskylä*
- *Pieter Bevelander, Professor, Malmö University*

## **1. Cross-governmental collaboration is needed to realise the Economy of Wellbeing.**

We do need a redefinition for capitalism. For this, one good candidate could be the Economy of Wellbeing. In her speech, Kerstin Jorna referred to Financial Times' campaign stating that there is a need to reform the existing capitalist system.

## **2. Policy coordination is needed to maximize synergies and trade offs on the EU level.**

The Economy of Wellbeing requires the whole government: policy coordination is needed to maximize synergies. The European Semester and the European Pillar of Social Rights help in that.

## **3. It's crucial to understand which investments actually contribute to the wellbeing and sustainability of the economy, and how much investment is needed.** Especially well-functioning health structures, health, feelings of safety and economic growth are interlinked. Health is in the middle of ensuring that the SDGs are really achieved. Health is close to people and still remains one of the key concerns among EU citizens. Thus, aspirational goals are not enough for them.

# Plenary Session: Political Next Steps and Messages for the New Commission

Plenary session 2 was a ministerial roundtable. The panelists were

- *Krista Kiuru, Minister of Family Affairs and Social Services*
- *Lena Hallengren, Minister for Health and Social Affairs, Sweden*
- *Nicola Blackwood, State Secretary Baroness, UK*
- *Ildiko Horvath, Minister of State for Health, Hungary*
- *Linas Kukuraitis, Minister of Social Security and Labour, Lithuania*
- *Marija Pletikosa, State Secretary, Croatia*
- *Maria Kaisa Aula, State Secretary, Finland*
- *Piotr Sadowski, President, Social Platform*
- *Leo Williams, Director, European Anti-Poverty Network*
- *Rebekah Smith, Deputy Director for Social Affairs, Business Europe*
- *Pirjo Väänänen, Representative of European Trade Union Confederation*

In short, plenary session 2 illustrated the political next steps and highlighted messages for the new commission. Key takeaways include:

- 1. Better understanding of the interlinkages of growth and wellbeing helps to advocate both these goals.** This better understanding can come from for example better metrics, such as the new composite health index in the UK. Similarly, knowledge on the fact that one year of increase in life expectancy increases GDP by 4 % results in understanding that more investments are needed in health promotion and health prevention.
- 2. Economy of Wellbeing helps emphasizing wellbeing in policy discussions.** There is a need to e.g. raise the social aspect of the Sustainable Development Goals, because now the discussion is more focused on economic and environmental affairs.
- 3. We can agree that wellbeing of the European citizen is the final goal of the EU.** Economy is the driving force, but the target is wellbeing. This paradigm shift requires horizontal approach, i.e. combining finance, social policy and education policy.

# Conference Closing Session

Aino-Kaisa Pekonen, Minister of Social Affairs and Health, Finland, closed the conference with her keynote. The key takeaways were

1. Promoting people's wellbeing, peace and security is the main objective of the European Union. **The EU's legitimacy and European democracy** depend on how well we succeed in it. This all fits well within the Council strategy framework for 2019–2024.
2. Economy of Wellbeing is contributing to the aforementioned goal. It aims to establish and sustain a "virtuous circle" in which economic growth and wellbeing work together to the benefit of people, and society. It is important to make sure that **no one is left behind** in our rapidly changing world. **Inclusion**, supports the stability and resilience of the society. The balance between **economic progress** and **social cohesion** lies at the heart of European integration. It constitutes the **European Social Model**, aiming at full employment and social progress, distinguishing the Union globally.
3. The Economy of Wellbeing underlines the importance of **cross-sectoral collaboration**, which strengthens knowledge-based policy-making, provides synergies and untapped potential, in order to maximise the positive long-term impacts of policy decisions. We need to go beyond GDP in our economic policy analysis.

# Discussion on the Conference Topics

On a very abstract level, the main messages of the conference were

- 1. Communication of the interlinkage of economy and wellbeing.** There is already proven evidence that wellbeing contributes to economic growth, but it needs to be communicated better for many people not looking at the economy from the perspective of wellbeing.
- 2. Continuity.** Economy of Wellbeing has been one of the key objectives during Finland's EU presidency. However, for it to become useful it needs continuity in different functions of the EU and after Finland's EU presidency.
- 3. Economy of Wellbeing should be advocated beyond siloes.** Policy coordination and cross-sectoral governance is needed to accomplish the Economy of Wellbeing.

There were also important topics that were not discussed enough:

- 1. Big changes in the operational environment, most importantly climate change and digitalisation.** As mentioned briefly by minister Kiuru, digitalisation and other drivers make the connection between wellbeing, fairness and economic growth even clearer. They also challenge the conventional model of growth, jobs and wellbeing. Discussions about sustainability were in multitudes, but the relationship between climate change and growth was not sufficiently discussed. Climate change moves the whole discussion regarding the desirability and quality of growth to a completely new place.
- 2. Legitimacy.** As pointed out in clear terms only in the final closing session (but referred often in an indirect manner), legitimation of EU is currently challenged and wellbeing is most likely the only path to regain the lost legitimacy. The Economy of Wellbeing could be taken as a model to define Europe's unique position and how the model differs from countries such as the US and China.
- 3. Broader structures to integrate Economy of Wellbeing in the EU.** The European pillar of Social Rights is a helpful instrument to support the Economy of Wellbeing, but due to the cross-sectoral nature of the concept, it should be attached to multiple other guiding tools as well.

The content of this conference represents the views of the author only and is his/her sole responsibility; it cannot be considered to reflect the views of the European Commission and/or the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) or any other body of the European Union. The European Commission and the Agency do not accept any responsibility for use that may be made of the information it contains.