

# Toward a Sustainable Wellbeing Economy

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Our current economic systems have become addicted to “growth at all costs”, as measured by Gross Domestic Product (GDP)<sup>1</sup>. They assume that GDP growth is synonymous with increasing wellbeing and prosperity. However this approach has led to growing inequality, an escalating climate crisis, and the depletion of natural and social capital. We are no longer generating genuine progress<sup>2</sup>. Our approach to economics and development needs fundamental transformation.

A global movement is coalescing among a large number of individuals and organizations around the need to shift economies away from a narrow focus on marketed goods and services (i.e. GDP) to one more broadly focused on ‘sustainable wellbeing’. The United Nations Sustainable Development Goals (SDGs) are a step in this direction, encompassing a broad set of 17 goals that go far beyond GDP growth, and include eliminating hunger and poverty, reducing gender and overall inequality, urgent action on climate change, and restoring marine and terrestrial ecosystems.

At a meeting in Glasgow, Scotland, in Oct. 2017, a group of governments including Scotland, Costa Rica, Slovenia, and New Zealand committed to creating an organisation through which to share good practice in wellbeing policy making and to champion wellbeing as the goal of development. In time, it is hoped this alliance will be an alternative to conventional groupings such as the G8 or G20. This initiative is supported by a wide-ranging global Wellbeing Economy Alliance that brings together the many organizations, networks, academics, businesses, NGOs, and individuals that are already working on elements of the new economy. The purpose of WE-All is to coordinate, facilitate, and catalyse the wide range of ongoing efforts around the shared goal of creating a sustainable wellbeing economy.

So what is a wellbeing economy?

A wellbeing economy has the fundamental goal of achieving sustainable wellbeing with dignity and fairness for humans and the rest of nature. This is in stark contrast to current economies that are wedded to a very narrow vision of development—indiscriminate growth of GDP.

A wellbeing economy recognizes that the economy is embedded in society and nature. It must be understood and managed as an integrated, interdependent system.

Wellbeing is the outcome of a convergence of factors, including good human mental and physical health, greater equity and fairness, good social relationships and a flourishing natural environment. Only a holistic approach to prosperity can therefore achieve and sustain wellbeing. A system of economic governance aimed at promoting wellbeing will therefore need to account for all of the impacts (both positive and negative) of economic activity. This includes valuing goods and services derived from a healthy society (social capital) and a thriving biosphere (natural capital). Social and natural capital are part of the commons. They are not (and should not be) owned by anyone in particular, but make significant contributions to sustainable wellbeing.

True freedom and success depend on a world where we all prosper and flourish. Institutions serve humanity best when they foster our individual dignity while enhancing our interconnectedness. To thrive, all institutions (including businesses) and society must pivot toward a new purpose: shared wellbeing on a healthy planet.

To achieve a wellbeing economy, a major transformation of our world view, society and economy are needed to:

- a. Stay within planetary biophysical boundaries – a sustainable size of the economy within our ecological life support system.
- b. Meet all fundamental human needs, including food, shelter, dignity, respect, education, health, security, voice, and purpose, among others.
- c. Create and maintain a fair distribution of resources, income, and wealth – within and between nations, current and future generations of humans and other species.
- d. Have an efficient allocation of resources, including common natural and social capital assets, to allow inclusive prosperity, human development and flourishing. A wellbeing economy recognizes that happiness, meaning, and thriving depend on far more than material consumption.
- e. Create governance systems that are fair, responsive, just and accountable.

There are many individuals and groups who have espoused versions of these basic ideas for decades. They may have used different approaches and different languages, but all share common approaches and, above all, a common goal. Perhaps more important are the many individuals and groups already putting the ideas of a wellbeing economy in practice. These include millions of activists and social entrepreneurs of various types from around the world.

The challenge is to acknowledge these many diverse initiatives and harmonize these voices, while allowing a diversity of language to communicate with a variety of audiences. WE-All is fundamentally an effort to do just that – to catalyse a cooperative, harmonized, and unified approach to creating a wellbeing economy.

Here are a few examples of the many new directions, experiments, and models of the wellbeing economy already happening around the world.

- The ability to communicate in real time with everyone empowers millions of people at virtually no cost and [makes social organizing easier](#) than ever before. Peer-to-peer networking has become a reality, whether sharing information, data, software, goods, services, car rides, accommodation, lending and/or political strategies.
- [Renewable energy](#) allows for decentralized systems of production and consumption, turning households into independent nodes of a global network. Costs are now below fossil fuels, despite the [\\$10 million a minute in subsidies](#) that fossil energy still enjoys. Advanced economies and developing nations are already [transitioning to renewable energy](#). Jobs are being lost in the fossil fuel industry, but are [on the rise in renewable energies](#): the US solar sector employs 77% more people than coal mining, creating employment opportunities 17 times as fast as the job creation of the economy as a whole. By 2015, China alone had created 3.5 million renewable energy jobs. In 2016, [renewable energy employment was growing at 5%](#) a year globally.
- As the world realises the new era of the ‘anthropocene’ and accepts the UN Sustainable Development Goals [businesses around the world](#) begin to protect natural capital and ecosystems.
- The Senegalese government has equipped [100 villages](#) with techniques learned from ecovillages, and aims to creat 14,000 ecovillages. More than a thousand [Transition Towns](#) have been initiated across the world.

- As central authorities fail citizens, [more states, regions and cities take the lead](#). From Vermont to California, US states have defied Washington's withdrawal from the Paris Agreement by adopting their own climate change response plans. [Civil society organisations](#) are taking the lead in pulling together innovative funding to transform urban areas and at the same time achieve the SDGs. Two hundred city regions will be involved by 2022.
- California committed to double energy efficiency and [generate half of the state's electricity from renewable](#) sources by 2030. They will actually achieve this by 2020. Nine New England states require car makers to shift to zero-emission vehicles. [New York launched an energy plan](#) to help residents produce and share their own energy. Smart villages using [off-the-grid solutions are mushrooming](#) in Asia and Africa. Sweden is on track to become [fossil fuel free by 2040](#).
- Economic and social innovations: Millions of people are rethinking the economy by introducing alternative currencies, most of them in digital format, following the [explosion of BitCoin and the 'blockchain' process](#) on which it is based. Basic income experiments are underway, in places as diverse as Kenya, [Finland](#) and [India](#). Transition Towns have developed a guide for creating resilient [local economies](#) and local currencies. The European Union has put forward a circular economy policy.
- More and more countries are joining the Extractive Industries Transparency Initiative ([EITI](#)) so that local people can follow the money generated by companies working within their borders.
- Regenerative agriculture, pioneered in Africa, South America and South Asia, offers sufficient food for all using methods that [restore ecosystems and capture carbon](#) and increase yield.

An economy based on the overriding goal of GDP-growth inevitably crashes through the boundaries of planetary capacity<sup>3</sup>. By affording no value to unexploited resources and assets, and by making no judgments about the quality or meaning or consequence of production and consumption, its growth conflicts with natural and social equilibria.

In contrast to this destructive path, the wellbeing economy model specifically strengthens social and natural capital while generating human development. A 'virtuous circle' can be created whereby value that is measured in terms of wellbeing feeds the improvements in the human and natural capitals upon which the creation of value depends. The negative impact on the environment will be greatly reduced as the 'circular economy' model of resource recycling and systems for up-cycling are integrated into mainstream business models. The ecosystem services that the GDP model considers free of charge will become fully valued components of society's infrastructure, supported by new common asset governance institutions that connect people more closely to natural ecosystems. Economic 'growth' in this model lies not in the exploitation of natural, social, and human resources but in improving the quality and effectiveness of human-to-human and human-to-ecosystem interactions, supported by appropriate enabling technologies.

In order to achieve the transformation to the new economy and society we all want, we need to work together as a unified front. The new **Wellbeing Economy Alliance (WE-All)** is designed to help facilitate that transformation.

## References

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