



Council of the
European Union

071829/EU XXVI. GP
Eingelangt am 15/07/19

**Brussels, 15 July 2019
(OR. en)**

11164/19

**SOC 548
EMPL 418
ECOFIN 705
EDUC 349
SAN 347
GENDER 33
ANTIDISCRIM 24**

NOTE

From: Presidency
To: Delegations

Subject: The Economy of Wellbeing
- Council Conclusions

With a view to the meeting of the Social Questions Working Party on 25 July 2019, delegations will find attached a set of draft Council conclusions on the above subject, as prepared by the Presidency.

Council conclusions on the Economy of Wellbeing

ACKNOWLEDGING that:

1. *The Economy of Wellbeing* is a policy orientation and a governance approach, which aims to put people and their wellbeing at the centre of policy- and decision-making. Taking wellbeing into account in all policies is vitally important to the EU's economic growth, productivity, long-term fiscal sustainability and societal stability. Wellbeing contributes to economic growth.
2. People's wellbeing is a responsibility of the European Union and its Member States. The Economy of Wellbeing brings into focus the *raison d'être* of the EU as enshrined in the Treaties and in the Charter of Fundamental Rights of the European Union. The realisation of people's full potential and the enjoyment of fundamental rights are central components of the Economy of Wellbeing. Sustainable and inclusive economic growth and resilience function as enablers for the wellbeing of people, societies and the planet.
3. *A horizontal approach based on cross-sectoral collaboration among different policy areas* is fundamental to the realisation of the Economy of Wellbeing. The need to engage with cross-sectoral action is embedded in the Treaty on the Functioning of the EU and in the European Social Charter, and was referenced as part of the *Health in All Policies* approach in previous Council conclusions (2006). Pursuing the concept of Economy of Wellbeing *does not require new competences or structures* for EU-level actions, but it does necessitate coordinated and improved use by the Union and its Member States of their respective powers.
4. The Economy of Wellbeing is based on a sound economic policy. It highlights the importance of *investing in effective and efficient policy measures and structures* ensuring access to all to public services including health services, promotion of health and preventive measures, social protection, and education and training. It emphasises employment, active labour market policy and occupational safety and health as measures to guarantee wellbeing at work. It stands for equal opportunity, gender equality and social inclusion.

5. Knowledge-based policy-making requires the use of a broad set of indicators and comprehensive impact assessments and evaluation of cost-effectiveness. While it is widely accepted that GDP alone does not provide a comprehensive picture of people's wellbeing, further collaborative efforts to develop a common approach to measuring the different dimensions of the Economy of Wellbeing are required.
6. The balance between economic progress and social cohesion lies at the heart of European integration, and distinguishes the EU globally. The European Pillar of Social Rights provides a compass for renewed upward convergence towards better working and living conditions in Europe. Delivering on the Pillar is a shared political commitment and responsibility of the Union and the Member States, and requires continuous progress and in-depth action by both sides. The Economy of Wellbeing contributes to the aim and implementation of the Pillar in line with the new EU Strategic Agenda 2019–2024. Moreover, it contributes to the European Social Model empowering all people by promoting upward social and economic convergence.
7. The Organisation for Economic Cooperation and Development¹ has emphasised that investing in improved health, education, employment, gender equality and income for all members of society contributes to economic growth. In addition, the social returns associated with greater individual wellbeing - including greater trust, more civic engagement and social cohesion - would contribute to economic growth through stronger total factor productivity, greater financial and political stability, and enhanced resilience to adverse shocks.
8. The Economy of Wellbeing is also at the heart of the United Nations 2030 Agenda for Sustainable Development to which all Member States are committed. Along the same lines, the importance of investment in health, social protection and education has been recognised by several international organisations, namely the World Bank Group in the Human Capital Project, the International Monetary Fund in the Strategy on Social Spending and the World Health Organization in the Tallinn Charter on Health Systems for Health and Wealth.

¹ The Economy of Well-Being - Executive Summary of the OECD Background Paper on 'Creating opportunities for people's well-being and economic growth' (10414/19); The Economy of Well-Being - OECD Background Paper (10414/19 ADD 1).

RECALLING that:

9. *A large number of Europeans live prosperous lives*. The majority of people in the EU are wealthier, healthier and more educated than ever before. The number of employed persons has increased during the past decade and the life expectancy of new-borns is much longer than ever.

CONSIDERING that:

10. *Poverty and exclusion* from the labour market and society exacerbate inequalities and segregation, which can lead to polarisation and instability in society. Despite the various positive developments, one in four children in the EU are living at risk of poverty or social exclusion. Adequate income support, access to social care, health services, early childhood education care and housing, and support for labour market integration and reintegration are essential for ensuring equal opportunities for all.
11. *The changing world of work* requires adaptation and diverse and constantly shifting qualifications and skills. Efforts must be made to create access for all people to *continuous learning and acquisition of skills*. Climate change will impact the world of work, and the transition to a climate-neutral economy should be implemented in a fair manner. *Vulnerable groups and people at the risk of exclusion* often face difficulties in the labour market and may have special needs at work and in working life. Inclusion of people with disabilities in the labour market is in compliance with the principles of decent work and human rights. Furthermore, *longevity and ageing* provide possibilities for the labour market and the economy, and require supportive actions enabling people to make an active contribution to society and working life.
12. *Fair pay, fair working conditions, respectful workplaces and non-discrimination at work* enable people to have equal access to and remain within the labour market, prevent early retirement and ensure that the skills of the entire labour force are put to use. Adequate minimum protection of social rights and working life strengthens the EU's social dimension. It is also of importance when it comes to combating inequality and in-work poverty. *Safe and healthy workplaces* translate into increased productivity and improved job satisfaction and longer work careers, and also prevent work-related illness and accidents.

13. Promoting gender equality, improving employment opportunities for women and facilitating the reconciliation of work and private life are vital for sustainable and inclusive economic growth, social cohesion and wellbeing.
14. Challenges to people's wellbeing can best be mitigated when addressed at an early stage and at critical moments throughout the lifecycle. These measures include good-quality early childhood care and education, physical activity, nutrition and other healthy lifestyles as well as preventive measures.
15. Access for all to health services, health promotion and disease prevention, provided by a sustainable health system, is an essential element contributing to wellbeing and thus to the economy. Investment in health security contributes to effective and timely prevention, detection and response to health threats. For example, antimicrobial resistance as well as the increasing occurrence of disasters due to climate change and disease outbreaks have the potential to cause great damage to national economies. Greater efforts to promote mental health and to improve early diagnosis and treatment of mental disorders would improve the lives of millions of Europeans and contribute to a stronger economy and better working conditions.
16. The continuous growth of health expenditure is a challenge to national economies in all European countries. It is therefore crucial to address the social, commercial, economic and environmental determinants of health and the burden of non-communicable diseases, taking into account the risk factors such as poor diets, physical inactivity, and the harmful use of alcohol, and tobacco. Fiscal measures can be used to direct consumption and behaviour. Shortages and high prices of medicines may prevent access to cost-efficient, affordable and innovative pharmacotherapy and threaten the sustainability and financing of health systems. It is therefore essential to prioritise health gains, patient safety and continuity of treatment during the entire pharmaceutical product lifecycle.

17. *Technological developments*, especially digitalisation and artificial intelligence, are changing the way people's wellbeing can be promoted and how public social care and health services are delivered. This has the potential to increase the cost-effectiveness and efficiency of services. It is necessary to improve people's access to their *health data* and to make use of the potential of such data for advancing public health and research while fully respecting applicable data protection rules and ethical principles.
18. *The European Semester* provides a framework for the coordination of Member States' economic policies. It is about structural reforms supporting economic growth and employment, ensuring sustainability of public finances and preventing macroeconomic imbalances, and is an important tool for monitoring the implementation of the Europe 2020 strategy. As well-designed social, employment, education and health policies are indispensable for long-term economic growth, they are an essential part of the European Semester. Since 2010, the number of specific recommendations involving social, employment, education and equality policies, health and long-term care, pensions, poverty and social exclusion has grown gradually and today these topics account for nearly half of the country-specific recommendations. The European Semester is thus an important tool for monitoring the progress in key areas covered by the Pillar.
19. *Structural reforms* fall within the responsibility of the Member States. The EU structural funds can support further developments in wellbeing policies in the Member States. They can be used to promote Member States' actions as identified in the integrated economic and employment policy guidelines and country-specific recommendations of the European Semester.
20. It is crucial for the EU to develop a new post-2020 *long-term strategy* for sustainable growth, for the purpose of furthering the EU as the most competitive and socially cohesive economy in the world. It is important for the EU to show global leadership by adopting an ambitious and well-balanced new horizontal strategy in line with the commitments made in the framework of the Pillar and the UN Agenda 2030.

INVITES the Member States to:

21. DEVELOP cross-sectoral assessment of impacts on wellbeing in order to strengthen knowledge-based policy and decision-making.
22. CONSIDER including wellbeing indicators for monitoring and reporting national budget processes and for knowledge-based decision-making.
23. ENHANCE labour market participation by targeting specific support measures at people who are excluded or at risk of exclusion from the labour market.
24. ENSURE adequate social protection and access for all to high-quality, affordable and sustainable services.
25. DIRECT their activities towards combating wellbeing challenges at an early stage and at critical moments throughout individuals' lifecycles, taking into account in particular the benefits resulting from the promotion of health and preventive measures.
26. DEVELOP systems for comprehensive continuous learning and skills development and PROMOTE structural developments favouring social inclusion, civic participation and resilience.
27. ENHANCE a cross-sectoral perspective in the policy positions expressed within the different Council's preparatory bodies dealing within the European Semester in order to ensure a balanced horizontal analysis, in line with the concept of the Economy of Wellbeing.

INVITES the Member States and the European Commission, in accordance with their respective competences, and taking into account national circumstances, while respecting the role and autonomy of the social partners, to:

28. INCLUDE an Economy of Wellbeing perspective horizontally into national and EU policies and put people and their wellbeing at the centre of policy design.

29. IMPLEMENT evidence-based and effective policy interventions at national and EU level to address common challenges to wellbeing.
30. PROMOTE cross-sectoral collaboration and an enhanced focus on employment, social, health and education policies within the European Semester process.
31. UNDERTAKE horizontal analyses within the European Semester in order to enhance broad, long-term policy perspectives and provide socially balanced policy recommendations.
32. CONTINUE to develop rigorous data collection and statistical methods for measuring and monitoring people's wellbeing in the context of the European Semester to provide, together with the economic indicators, a comprehensive understanding for policy- and decision-making.
33. ENSURE the wellbeing benefits of digitalisation by accelerating the work on digital solutions in the promotion of health, healthcare and social policies, by strengthening the current initiatives for cross-border exchange of health and social protection data, and by deploying innovative data technologies, including artificial intelligence, while respecting data protection rules, data security and digital ethics, and PROMOTE digital inclusion.
34. ANTICIPATE the effects of ageing and longevity and PROMOTE healthy and active ageing horizontally in all policies.
35. WORK closely with European and national social partners and civil society to promote the Economy of Wellbeing through effective social and civil dialogue.

INVITES the European Commission to:

36. ISSUE, at the expiration of the 2020 EU Strategy for smart, sustainable and inclusive growth, a new long-term strategy with the aim of the EU becoming the most competitive and socially cohesive economy in the world.

37. ISSUE a Communication on the Economy of Wellbeing, putting the emphasis on balanced cross-sectoral collaboration among different policy fields through a knowledge-based approach, early interventions and implementation of the Pillar.
38. STRENGTHEN the assessment of the impacts on wellbeing of legislative and major policy initiatives, including in the field of economic policy.
39. REVIEW the EU Strategic Framework on Health and Safety at Work taking into account working conditions in the changing world of work.
40. ADOPT a high-level Gender Equality Strategy and STRENGTHEN gender mainstreaming and gender budgeting and the effective implementation thereof in all policy areas.
41. ENSURE the effective implementation of concrete measures to close the gender pay gap and the gender gap in pensions beyond the current EU Action Plan on Tackling the Gender Pay Gap.
42. DEVELOP new initiatives to address disability policies beyond the current European Disability Strategy 2010–2020.
43. DEVELOP policy measures on childcare, building on the Report on the Barcelona objectives on childcare to achieve a high level of accessible, affordable and high-quality early childhood education and care.
44. REVIEW the post-2020 EU Framework for National Roma Integration Strategies.
45. ISSUE a Communication regarding the cross-sectoral impacts on mental health of different policy sectors, including a Mental Health Strategy for the EU.

INVITES the Employment Committee and the Social Protection Committee to:

46. INTEGRATE an Economy of Wellbeing perspective into their reflections on the policy fields within their remit.
 47. CONTINUE fostering a close collaboration with each other and with the Economic Policy Committee, as well as with other relevant Council preparatory bodies, in particular in the field of health and education.
 48. CONTINUE the task of improving, in cooperation with the EU institutions, indicators for measuring and monitoring people's wellbeing in the EU, taking into account the work carried out by other relevant international actors.
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