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NOTE

From: Permanent Representatives Committee (Part 1)
To: Council

Subject: The Economy of Wellbeing
- Draft Council Conclusions

Delegations will find attached the draft Council Conclusions on the above subject.

The text, tabled at the initiative of the Finnish Presidency, found the agreement of delegations in the meeting of the Committee of the Permanent Representatives (Part 1) on 16 October 2019 with the exception of Bulgaria, which voiced a scrutiny reservation on the changes to paragraphs 24 and 47.

Changes in relation to the previous version (12613/19) are indicated in **bold**.

The EPSCO Council is invited to adopt these Council Conclusions at its session on 24 October 2019.

Draft Council conclusions on the Economy of Wellbeing

ACKNOWLEDGING that:

1. *The Economy of Wellbeing* is a policy orientation and governance approach which aims to put people and their wellbeing at the centre of policy and decision-making. While people's wellbeing is a value in itself, the Economy of Wellbeing underlines the mutually reinforcing nature of wellbeing and economic growth. Taking wellbeing into account in all policies is vitally important to the Union's economic growth, productivity, long-term fiscal sustainability and societal stability.
2. People's wellbeing is a principal aim of the European Union. The Economy of Wellbeing brings into focus the *raison d'être* of the Union as enshrined in the Treaties and in the Charter of Fundamental Rights of the European Union. The creation of an environment that enables people to reach their full potential and to enjoy their fundamental rights is a central component of the Economy of Wellbeing. At the same time, 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 between different policy areas* is fundamental to the realisation of the Economy of Wellbeing. The need to engage in 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 an Economy of Wellbeing *does not require new competences or structures* for Union-level actions, but it does necessitate coordinated and improved use, by the Union and its Member States, of their respective powers and calls for a renewed focus on the key drivers of wellbeing.

4. The Economy of Wellbeing is based on a sound and sustainable economic policy. It highlights the importance of investing in effective, efficient and equitable policy measures and structures ensuring access for all to public services including health and social services, long-term care, the promotion of health and preventive measures, social protection as well as education, training and life-long learning. It emphasises employment, active labour market policies and occupational health and safety as well as decent working conditions as measures to guarantee wellbeing at work. It stands for equal opportunities, gender equality and social inclusion.
5. Knowledge-based policy-making requires clear objectives and the use of an adequate set of high-quality indicators, comprehensive impact assessments and the evaluation of short, medium and long-term cost-effectiveness. It is widely accepted that GDP alone does not provide a comprehensive picture of people's wellbeing. Therefore, further collaborative and intensified efforts across sectors are required to make better use of and improve existing instruments, and to build on them for the development of a common approach to measuring the different dimensions of the Economy of Wellbeing.
6. The balance between economic growth and social progress lies at the heart of European integration. This is fundamental for a social market economy aiming at full employment and social progress, and it sets the Union apart globally. The European Pillar of Social Rights (hereinafter the *Pillar*) provides a compass for renewed upward convergence towards better working and living conditions in the Union. 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 in accordance with their respective competence. The Economy of Wellbeing contributes to the aims 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 social protection 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 - 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 investing in health, social protection and education has been recognised by several international organisations, namely the World Bank Group², the International Monetary Fund³, the International Labour Organization⁴ and the World Health Organization⁵.

RECALLING that:

9. A large number of Europeans live prosperous lives. On average, despite disparities between and within Member States, people in the Union are more educated, wealthier, healthier and live longer than ever before.

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).

² The Human Capital Project.

³ The Strategy on Social Spending.

⁴ The Centenary Declaration for the Future of Work.

⁵ The Tallinn Charter on Health Systems for Health and Wealth.

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, people at risk of poverty or social exclusion face multiple challenges and a lack of opportunities. One in four children in the Union is at risk of poverty or social exclusion. Homelessness is increasing in a considerable number of Member States and it concerns various groups of people, in particular in urban environments. Though, cities can also offer opportunities for people's wellbeing. Adequate income support, access to high-quality health and social services, long-term care as well as early childhood education and care, to affordable housing and support for labour market integration and reintegration are essential to prevent and to address poverty and exclusion while ensuring equal opportunities for all. The social economy, social innovation and social investment also play an important role.
11. *The changing world of work* requires adaptability and diverse and constantly shifting qualifications and skills. Education and training thus play a key role in fostering competitiveness, adaptability and participation in the labour market and in society. Efforts must be made to facilitate access for all to *life-long learning and acquisition of skills and competences* in order to meet the challenges and seize the opportunities of digitalisation and new forms of work. Climate change will impact the world of work. The European Council has invited the Council and the Commission to advance work on the conditions, the incentives and the enabling framework to be put in place so as to ensure a transition to a climate-neutral EU in line with the Paris Agreement that will, inter alia, preserve European competitiveness, be just and socially balanced, taking into account of Member States' national circumstances. In terms of employment, the transition to climate neutrality brings both opportunities and challenges.

12. Vulnerable groups and people at risk of exclusion often face difficulties in the labour market and in society, and may have special needs at work and in their working life. The principle of non-discrimination is fundamental to addressing these needs. The inclusion of people with disabilities in the labour market and in society as a whole is in compliance with the principle of decent work and human rights. Furthermore, longevity provides possibilities for the labour market and the economy, and requires supportive measures enabling all people to make an active contribution to society and working life.
13. Fair pay, fair and good working conditions, quality jobs, 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 protection of social rights and life at work strengthens the Union's social dimension and play an important role in combating inequality and in-work poverty. Fair and good working conditions and adequate social protection should also be provided in new forms of work. Safe and healthy workplaces translate into increased productivity, improved job satisfaction and a longer working life, and also prevent work-related illness, accidents and the high costs they incur. Social partners have an important role in the design of these policies.
14. Promoting gender equality, improving employment opportunities for women, ensuring the principle of equal pay for work of equal value, facilitating the reconciliation of work, care and private life for women and men, as well as preventing and combating violence against women are vital for sustainable and inclusive economic growth, social cohesion and wellbeing. Reducing the gender gaps in employment, pay and pensions and enhancing the economic empowerment of women are considered to be prerequisites for a fairer and more inclusive economy.

15. Well-designed, adequate and sustainable social protection systems for all can be effective in protecting individuals. Investment in social protection systems yields valuable social and economic results in the long term. Social protection contributes to socio-economic resilience and human capital. Furthermore, such systems can deliver better labour market outcomes by supporting the transfer of labour to emerging and dynamic sectors of the economy.
16. Education, training and life-long learning are essential wellbeing policy measures. Accessible and high-quality education and training, which are inclusive, are fundamental to societies and economies that need to adapt to and take advantage of change. Investing in education and training has high economic and social benefits; it supports economic stability and growth and is also a key contributor to the resilience of our economies and societies and their future prosperity.
17. Challenges to people's wellbeing can best be mitigated when addressed at an early stage and *throughout life*. These measures include, *inter alia*, good-quality and affordable prenatal care, early childhood education and care, the promotion of healthy lifestyles, including physical activity and healthy nutrition as well as preventive measures and enabling environments. Investment in health literacy is important in empowering people to make healthy choices.

18. Access for all to health services, long-term care, health promotion and disease prevention, provided by a sustainable health system, are essential elements of wellbeing that also address health inequalities and thus contribute to the economy and society. Investment in health security contributes to the effective and timely prevention and detection of and response to health threats. For example, antimicrobial resistance, vaccine hesitancy as well as the increasing occurrence of disasters due to climate change and disease outbreaks have the potential to cause great damage to public health and national economies. Increased vaccination coverage is a cost-effective measure to prevent many communicable diseases. Greater efforts to promote good mental health and to advance the prevention, early diagnosis, treatment and destigmatisation of mental disorders would improve the lives of millions of Europeans throughout the course of their lives and contribute to non-discriminatory working environments, better working conditions, and thus to a stronger economy.
19. 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 risk factors such as poor or unhealthy diets, physical inactivity, and the harmful use of alcohol and tobacco. Fiscal measures can be used to guide consumption and behaviour.
20. Shortages and high prices of a number of medical devices and medicines, combined with inefficiencies in the use of generic and biosimilar medicines, can threaten the sustainability and financing of national health systems. It is essential to improve the access to and the cost-effectiveness of medicines, patient safety and the continuity of treatment. Furthermore, it is important to continue policy discussions on affordability and security of supply.

21. Technological developments, especially digitalisation and artificial intelligence, are changing the way people's wellbeing can be promoted and how health and social services are delivered. This has the potential to increase the cost-effectiveness, efficiency and quality of services as well as to counter inequalities in access and outcomes. It is important to improve people's access to their own health and social data and to raise the awareness on health and social data protection. For the purpose of advancing public health, research and innovation, it is essential to make use of the potential of health and social data while fully respecting applicable data protection rules and ethical principles.
22. The European Semester provides a framework for the coordination of Member States' economic policies and is an important tool for monitoring the implementation of the Europe 2020 strategy and key areas covered by the Pillar. The number of specific recommendations involving social, employment, education, training 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 them. Well-designed and sustainable social, employment, education and health policies as well as gender equality are indispensable for sustainable and inclusive long-term economic growth. Cross-sectoral cooperation and a good balance between economic and these policies thus play an important role in the European Semester.
23. Structural reforms fall within the responsibility of the Member States. The Union's structural funds can support further sustainable developments in wellbeing policies in the Member States. These funds 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.

24. For these reasons, it is crucial for the Union to develop a *new long-term, post-2020 strategy* to ensure that the Union becomes the world's most competitive and socially inclusive, **climate-neutral** economy, reflecting the Economy of Wellbeing. It is important for the Union 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.

The Council of the European Union INVITES the Member States to:

25. DEVELOP a cross-sectoral assessment of impacts on wellbeing in order to strengthen knowledge-based policy and decision-making.
26. CONSIDER using indicators related to wellbeing to monitor and report national budget processes and for knowledge-based decision-making. All these indicators should be disaggregated by sex.
27. ENHANCE labour market participation by improved targeting of specific support measures for people who are excluded or at risk of exclusion from the labour market, in line with the active inclusion approach.
28. ENSURE, in the light of national circumstances, access for all to adequate social protection and to high-quality, affordable and sustainable services.
29. DIRECT their cross-sectorial activities towards combating wellbeing challenges at an early stage and throughout individuals' lives, taking into account in particular the benefits resulting from the promotion of health and preventive measures.
30. PROMOTE comprehensive, life-long learning policies as well as skills and competence development throughout life.

31. PROMOTE structural reforms favouring social inclusion, civic participation and socio-economic resilience.
32. ENHANCE a cross-sectoral perspective in the policy positions expressed within the different Council preparatory bodies dealing with 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, taking into account national circumstances, and respecting the role and autonomy of the social partners, **to:**

33. INCLUDE an Economy of Wellbeing perspective horizontally into national and Union policies and put people and their wellbeing at the centre of policy design.
34. IMPLEMENT evidence-based and effective policy interventions at national and Union level to address common challenges to wellbeing.
35. CONTINUE to eradicate poverty, in particular by tackling child poverty and the intergenerational transmission of poverty, including by exploring new measures.
36. CONTINUE to design and implement measures acknowledging and addressing homelessness and PROMOTE access to affordable housing for all.
37. PROMOTE cross-sectoral collaboration and continue strengthening the role of employment, social, health and education policies within the European Semester process.
38. UNDERTAKE horizontal analyses within the European Semester process in order to enhance broad, long-term policy perspectives and provide balanced policy recommendations.

39. CONTINUE to develop rigorous quantitative and qualitative data collection and statistical methods for measuring and regularly monitoring people's wellbeing in order to provide, together with the economic indicators in the context of the European Semester, a comprehensive analysis as a basis for policy and decision-making.
40. PROMOTE the implementation of the principles of the Pillar as an important step towards delivering on the Economy of Wellbeing.
41. ENSURE the benefits of digitalisation for people's wellbeing by for instance accelerating the work on innovative, secure-by-design digital solutions in the promotion of health, healthcare and social policies, by strengthening, where relevant, the current initiatives for the interoperable, 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 related ethical principles, and PROMOTE digital inclusion.
42. ANTICIPATE the impacts of demographic changes, in particular caused by ageing and longevity, and PROMOTE healthy and active ageing across all policies.
43. IMPLEMENT concrete and effective measures to close the gender gaps in employment and pay beyond the current EU Action Plan on Tackling the Gender Pay Gap and ADDRESS their impact on the gender gap in pensions.
44. PROMOTE a high level of accessible, affordable and high-quality early childhood education and care, in line with the objectives set by the Barcelona European Council of 2002 on childcare and the Council Recommendation on High-Quality Early Childhood Education and Care Systems of 2019.
45. REINFORCE the role of the social economy, social entrepreneurship and social innovation in the promotion of social inclusion, creation of and access to quality jobs and social investment.

46. 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:

47. PROPOSE, on the expiry of the Europe 2020 strategy for smart, sustainable and inclusive growth, a new long-term growth strategy for the Union, aimed at ensuring that the Union becomes the world's most competitive and socially inclusive, **climate-neutral** economy.

48. ISSUE a Communication addressing the Economy of Wellbeing, with an emphasis on the mutual relations between wellbeing policies and economic growth, on balanced cross-sectoral collaboration among the different policy fields, on a knowledge-based approach, and on preventive measures and early interventions, supporting the implementation of the Pillar and the UN Agenda 2030.

49. STRENGTHEN the assessment of the impacts of legislative and major policy initiatives on wellbeing, including in the field of economic policy.

50. REVIEW the EU Strategic Framework on Health and Safety at Work, taking into account the changing world of work.

51. ADOPT a stand-alone European Gender Equality Strategy and STRENGTHEN gender mainstreaming and gender budgeting and the effective implementation thereof in all policy areas.

52. PROMOTE European cooperation in education and training in order to make Europe the leading learning society in the world, by supporting a culture that encourages, empowers and motivates people and societies to learn, at all levels and in all forms of education and training and at all stages of life.

53. DEVELOP new initiatives to address disability policies beyond the current European Disability Strategy 2010–2020.
54. RENEW the commitment on Roma inclusion by developing new policy initiatives, including the adoption of a post-2020 European Framework Strategy.
55. SUPPORT the Member States, through appropriate actions within its competence, in their endeavours to improve the sustainability and availability of health services, including access to medicines and medical devices.
56. PROPOSE a Mental Health Strategy for the Union, taking into account the cross-sectoral impacts of different policies on mental health.
57. PROPOSE a European Action Plan to fight cancer in order to support the Member States in their efforts to, *inter alia*, prevent cancer, address early diagnosis and treatment, and improve the lives of patients and survivors.

INVITES the Employment Committee and the Social Protection Committee to:

58. INTEGRATE an Economy of Wellbeing perspective into their reflections on the policy fields within their remit.
59. CONTINUE to foster a close collaboration with each other and with the Economic Policy Committee, as well as with other relevant Council preparatory bodies with competence in particular in the field of health and education, to ensure a balanced horizontal analysis.
60. CONTINUE the task of improving and developing, in cooperation with the EU institutions, reliable and internationally comparable indicators for measuring and monitoring people's wellbeing in the Union, taking into account the country-specific context and the work carried out by other relevant international actors.