

# A European Wellbeing Economy

## Avenues for Political Action

### Summary for policymakers

The Treaty of the European Union sets out that ‘the Union’s aim is to promote peace, its values and the well-being of its peoples’. The EU recently undertook significant steps in this direction, notably under the European Green Deal (EGD). Yet, the ongoing triple planetary crisis of climate change, biodiversity loss and pollution warrant further efforts in the speed and scale of action to get the EU economy back within a safe operating space, and thus in line with its own treaty. This is not just an environmental imperative but a fundamental necessity for economic resilience, stability, and security.

Although the widespread so-called ‘green backlash’ does not necessarily align with an EU reality – European population remains overwhelmingly supportive of increased climate action –, we shouldn’t be naïve either when it comes to the current reality of EU policy making. **Ambitious and accelerated sustainability action will depend on the assurance that this does not occur at the expense of people’s quality of life, including of the most vulnerable groups in our societies.**

Europe meanwhile stands at a crossroads, reshaped by geopolitical turmoil, war, energy crises, and black swan events that have altered its global position. In this new reality, both policies and investment are existential. But the policy approach and the kind of investment Europe needs are not a return to old models of resource grabs or sterile geopolitical rivalries. Instead of a continued focus on GDP growth and a narrowly defined competitiveness agenda, we have an opportunity to build an alternative, one rooted in the concept of a **wellbeing economy**.

**This is not just a project for idealists or green voters in prosperous times. It is a real, pragmatic alternative** that acknowledges the need for prosperity – though not in the limited sense of GDP growth, but through a model that values wellbeing, sustainability, and resilience. Europe’s competitive edge should not be measured solely in economic output but in its ability to offer a better, safer, and more sustainable future for its citizens – while taking also external impacts into account.

With this publication, we aim to counter the narrative that systematically opposes wellbeing objectives on the ground of economic growth and short-term financial profits.

We propose to rather promote **the transition to a wellbeing economy as a coherent and holistic strategy for the EU to achieve a socially just, economically competitive and environmentally sustainable society**. We aim to inform the debate on how best to foster such wellbeing economy concepts throughout EU policies, deep diving into particular themes of interest.

The publication is the result of a one-year long exchange within a knowledge community of more than 60 experts that aims to map the main challenges and provide **recommendations to inspire the European institutions in the delivery of their ambition to work toward the wellbeing of its peoples**. It discusses the **state of play**, and develops EU level reflections, solutions and recommendations for 6 interrelated thematic clusters for a European wellbeing economy.

**Concretely, the brief sets out ways for EU policymakers to:**

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#### 1.

**Deploy a critical understanding of means and ends for a wellbeing economy within planetary boundaries.**

The EU must move beyond an economic strategy that prioritizes GDP growth as an end in itself. Instead, policies should be guided by the goal of fostering wellbeing while respecting planetary boundaries. This chapter presents a growth-agnostic approach that redefines economic success, ensuring that prosperity is achieved through social and environmental sustainability rather than resource-intensive expansion. It proposes the embedding of wellbeing-based decision-making into key EU policy frameworks, including the European Semester and the Multiannual Financial Framework.

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#### 2.

**Centre equity and fairness to reach social goals and create prerequisites for an ambitious transition.**

A just transition is essential to achieving climate and environmental goals while maintaining social cohesion. This requires addressing three dimensions of justice: distributional (ensuring fair allocation of costs and benefits), procedural (enhancing democratic participation and governance), and recognitional (acknowledging diverse social groups and vulnerabilities). The EU must strengthen mechanisms

for intergenerational accountability, citizen engagement, and policies that promote distributive and regenerative outcomes, reducing reliance on economic growth to meet social needs

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### 3.

**Measure what matters: integrating wellbeing indicators.** Current economic indicators fail to capture what truly drives prosperity and resilience. The EU has made progress in developing multidimensional wellbeing economy metrics, but these need to be fully integrated into core policymaking. This chapter outlines how wellbeing, social progress, and ecological sustainability indicators can complement GDP, ensuring that decision-making is aligned with long-term objectives. It proposes to introduce Sustainable and Inclusive Wellbeing (SIWB) indicators in both reporting and monitoring efforts (e.g. linked to the economic governance of the Member States), and upstream, in the design of policies

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### 4.

**Evolve policy modelling to reflect complexity and systemic risks.** Economic models shape political decisions, yet many currently in use fail to account for planetary boundaries, non-linear environmental and social impacts, or long-term risks. The EU must adopt a broader set of modelling approaches that reflect the complexity of interconnected global challenges. This chapter calls for updating policy modelling tools to incorporate feedback loops, tipping points, and diverse notions of value, ensuring that economic policies are fit for purpose. It also proposes to strengthen transparency and clarity, reflecting the choices behind modelling exercises. Ultimately, better modelling is not just a technical fix – it is a political necessity. The models we choose will determine whether Europe leads the way in building a sustainable and fair economy, or whether it continues to chase outdated economic goals while ignoring the crises unfolding around us.

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### 5.

**Act consciously in a complex and interconnected global context.** The EU must take into account global economic, social and environmental impacts of its production and consumption patterns, too. Engagement with third countries needs to focus on codesign and implementation of meaningful partnerships that provide both partners with the policy and financial space to pursue their own strategic priorities to achieve a wellbeing economy within planetary boundaries. This chapter calls on EU policymakers to build a stronger understanding of its external social and environmental impacts; to centre these understandings when developing policies; to project reliability and sustainability at the multilateral stage via its climate diplomacy and positive partnerships; and to

both recognise past inequalities' role in shaping present conditions and address these injustices.

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### 6.

**Redirect and streamline finance and business systems towards wellbeing within planetary boundaries.** Finance and business play a crucial role in transitioning to a wellbeing economy. However, financial flows remain misaligned with sustainability goals, and many business models are still designed around short-term profit maximization rather than long-term resilience. The EU must drive systemic changes by ensuring that investment and financial regulations support business models that are regenerative and distributive by design, aligning market incentives with social and environmental objectives. Public finance has an important role to play as well, both enabling and directing private actors towards a wellbeing economy. The negotiations for the post 2027 EU Multiannual Financial Framework (MFF) constitute the main window of opportunity, but the EU also has an important role to play when it comes to reforms and investment strategies of Member States and at the international level.

The recommendations listed in this publication aim at providing a useful starting point to policymakers. Ultimately, we identify that a wellbeing economy is not an abstract utopia; it is a strategic response to the lessons of history and the need for long-term security. In a world increasingly defined by great power competition, Europe's best bet is not to be trapped between rival blocs but to define a distinct path – one that prioritises security and protection in the broadest sense. After all, what is security if not the health of people, the resilience of our environment and the assurance of a safe and stable future?

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