



From Growth to Wellbeing - by GIZ & Partners

How do we move from economic growth towards wellbeing in practice?

A Wellbeing Economy approach to development

Around the world, governments are moving beyond Gross Domestic Product (GDP) and embracing new metrics of progress, from the Sustainable Development Goals (SDGs) to national wellbeing indicators. This movement is significant, as it moves us beyond a focus on 'means', i.e. economic growth, to a focus on the achievement of 'ends', i.e. our collective wellbeing. The challenge is that our current economic thinking has not only determined our measurements of progress, but also our government structures, societal power dynamics and cultural narratives. Developing a Wellbeing Economy is, therefore, not only about different measures or different policies, but also about changing our relationship to the economy and our approach to its management and governance.

There is no-one-size-fits-all approach, as every society has unique structures, values, and objectives; however, there are some core dimensions that unite us in our need for:

- » **Dignity:** Everyone has enough to live in comfort, safety and happiness
- » **Nature:** A restored and safe natural world for all life.
- » **Connection:** A sense of belonging and institutions that serve the common good.
- » **Fairness:** Justice in all its dimension is at the heart of economic systems, and the gap between the richest and poorest is greatly reduced.
- » **Participation:** Citizens are actively engaged in their communities and locally rooted economies.

The Wellbeing Economy movement therefore goes beyond just fixing, healing and redistributing to building an economic system that gets it right the first time.

It is about actively co-creating, through participatory processes, the better world we envision.

Developing A Wellbeing Vision

For decades, governments have used economic indicators such as wealth and GDP growth to assess societal progress. This has led us to focus on fostering economic growth, regardless of whether or not it leads to improvements in collective wellbeing. However, that is now being flipped around and there is movement for developing more holistic and longer-term visions of progress, so that collective wellbeing becomes the ultimate measure of economic success. These visions help us to recognise wealth as one driver of wellbeing, alongside a wide variety of other social and environmental factors.

An underlying challenge here is that viewing wealth as the main indicator of progress has become embedded in many of our cultures, influencing the way we view our own capacities, relationships, and purpose. Changing this requires expanding our understanding of the economy, its relationship to social and ecological wellbeing and our notion of progress to encompass a wide variety of factors that determine the quality of our lives on this planet. As such, a Wellbeing Vision is not something that can be imposed; it must be co-created with communities. This requires engagement with communities to understand what matters for their wellbeing, now and for generations to come.

Wellbeing Policy Design

Wellbeing Economy policy making requires a shift in how we develop economic policies, beginning with the goals we set. The goal of policy making shifts from promoting economic growth, to promoting the wellbeing of our people and planet. Such policy design would aim to support the areas of the economy that contribute to

collective wellbeing, while shrinking those areas of the economy that damage it.

This shift requires abandoning many of the standard economic approaches which treat the economy like a science and employ abstract models to inform decision making. Instead, a Wellbeing Economy policy recognised taking the economy away from being an abstract 'technical' system, and one that is influenced by our geography, history, culture, values, policies, and priorities. This places the economy back into the sphere of democratic influence, as its shape and form should be determined by the people who comprise it.

Wellbeing Economy policy design, therefore, moves the government beyond just correcting 'market failures' to proactively fostering the activities and behaviours important for our wellbeing. This is no small shift, as you will have to move from focusing on problems or deficits (e.g., a lack of skills, tech or finance) to focusing on your priorities and strengths.

Several key principles inform the policy design processes needed to create a Wellbeing Economy:

- » Goal oriented
- » Participatory
- » Contextual
- » Experimental
- » Holistic
- » Evidence based
- » Strength based

Implementing Wellbeing Economy policies

Many governments face challenges when it comes to implementation, with a large gap between what was planned and what happens on the ground. Many of these challenges can be overcome by engaging people throughout the strategy and policy design process, so that they have a clear understanding of the logic and purpose of policy initiatives and can tailor them to their context. While the process of developing strategies and policies begins with a high-level Wellbeing Vision and works its way down, the actual achievement of this vision will necessarily be 'bottom-up', driven by transformations in activities and behaviours in all sections of society. Thus, empowering people to take the lead in designing, aligning, and monitoring wellbeing policy initiatives is important for effective implementation. While the exact shape and form of implementation depends on context, there are important processes like empowering localised policy implementation, and

participatory monitoring of implementation that need to be central to any Wellbeing Economy policy.

Case study – “The big environmental push” by the Economic Commission of Latin America and the Caribbean (ECLAC)

The Latin America and the Caribbean (LAC) development model has promoted the expansion of agro-industrial frontiers, the continued growth of mining resource extraction, the depletion of forest and fishery resources, and the intensification of CO2 emissions. This model has had a negative impact on the environment, has kept the region in a position of dependence and disadvantage in the face of global production chains and has followed a pattern of production and consumption that accentuates inequalities and degradation itself. This articulated pattern is continuously reproduced, thus generating a vicious circle.

The conditions for closing the development, environmental, territorial and social gaps exist and have been formulated by ECLAC as a progressive structural change based on an Big Environmental Push (Gran Impulso Ambiental, GIA), the product of a coordinated reorientation of policies, investments, regulations and tax regime. This impulse should converge different stakeholders, sectors and investments in order to allow innovations and synergic processes among supplies, skills, equipment, services, distributions, networks, demands and patterns. The GIA thus requires articulated multi-stakeholder intervention and policy coherence to simultaneously ensure economic growth, the adoption of technological innovations, employment generation, emission reduction, and the preservation and sustainable use of natural resources.

Implementing a coordinated package of investments and policies towards a major environmental push is part of the necessary response, in terms of strategy and instruments, for the construction of sustainable development, together with the implementation of the 2030 Agenda, the Paris Agreement, and the New Urban Agenda.

The ECLAC-BMZ/GIZ Program 2018-2020 supported selected countries in the region to come into a position to design their strategies for implementing the 2030 Agenda in accordance with a GIA. To this end, it is necessary to expand their capacities to promote, in a participatory manner and across sectors, economic growth with fewer emissions, efficient use of resources and social inclusion (SDGs 8, 12 and 13). By involving the private sector and civil society, the module also

makes an important contribution to the development of new public-private partnerships in line with SDG 17.

The program supported Costa Rica in its national plan for decarbonization and the elaboration of the national bioeconomy strategy, Mexico in the area of electromobility, Brazil in the use of renewable energies, and the Dominican Republic in strategies for adaptation to climate change.

Imprint

Published by:
Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

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GIZ is responsible for the content of this publication.
Eschborn 2022