



# Why we need a Wellbeing Economy to meet our climate goals

26<sup>th</sup> of November 2021

*Briefing by the Wellbeing Economy Alliance Scotland for Scottish MPs ahead of the Westminster Hall debate: "That this House has considered a Wellbeing Economy approach to meeting climate goals", on the 30th of November 2021.*

## Meeting the climate challenge requires transformative action

The UK government has committed to make the UK net-zero by 2050 and to reduce its carbon emissions by 78% compared to 1990 levels by 2035. These targets are very ambitious, but still fall short of our international responsibility<sup>1</sup>. Fossil fuels, and the carbon emissions they produce, are deeply embedded in all aspects of our economy. Our challenge for the next decade is to achieve rapid reductions in carbon emissions while simultaneously addressing deep-seated inequalities and improving collective wellbeing in the UK.

## We need a Wellbeing Economy to achieve our climate goals

The only way we can achieve our climate goals is by taking bold action to build a Wellbeing Economy that prioritises environmental protection and collective wellbeing. Some of the key steps towards this are:

1. **Recognise that the economy - and growth of it - is not an objective in its own right.** What matters is how the economy enables first order goals such as dignity, participation, connection, fairness, regenerating nature and meeting our climate goals.
2. **Develop a holistic set of measures to assess collective wellbeing and define new priorities.** We need to reduce our reliance on GDP as a measure of success, given all its perverse incentives and blind spots. The [Scottish National Performance Framework](#) is an example of how Scotland has been leading the way in the UK.
3. **Build these measures as priorities into all stages of the policy process, when developing policies, deciding on policies and evaluating policies.** An example of how this can be done is the practice of Wellbeing Budgeting, which is already being trialled in several countries around the world (see policy example below).

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<sup>1</sup> Tim Jackson. [Zero Carbon Sooner –The case for an early zero carbon target for the UK](#)

## The public supports bold government action on the Wellbeing Economy

There is lots of support for the bold economic transformation needed to address climate change. People know what they need and what the economy should be designed to do, as is shown by the results of citizen assemblies and polls:

- The UK climate assembly, commissioned by six committees in the House of Commons, shows that the principles to **protect the environment and to ensure fairness in the economy are seen as a higher priority than ensuring economic growth** by many people.<sup>2</sup>
- In Scotland's Climate Assembly, **83% of members supported the goal to: "Reframe the national focus and vision for Scotland's future away from economic growth and Gross Domestic Product (GDP) in order to reflect climate change goals towards the prioritisation of a more person and community centred vision of thriving people, thriving communities and thriving climate."**<sup>3</sup>
- An enquiry by the APPG on the Green New Deal, which engaged with more than 57,000 citizens, found that: "Two thirds of respondents wanted the Government to intervene to make society fairer and **the same proportion believe that health and wellbeing should be prioritised over GDP growth**".<sup>4</sup>

## A Wellbeing Economy reduces failure demands on government spending

A Wellbeing Economy that is designed to address the root causes of climate change and inequality does not only provide collective wellbeing, but also eliminates **failure demands** on government spending.

- A recent report by WEAll found that **the UK and Scottish governments spend billions of pounds in Scotland every year to top up poverty wages, house the homeless or build flood protection measures against climate change impacts**. These are demands that could be avoided by a better design of our economy that prevents these issues arising in the first place and that makes sure that everybody's contributions are rewarded with a fair income.<sup>5</sup>

## Policy Example: Wellbeing Budgets

Wellbeing budgets are one important tool of how a Wellbeing Economy can be embedded in decision-making. They can be set at the national and local level and **aim to harness tax and spending decisions to foster a range of holistic wellbeing measures, taking into account the impacts on present as well as future generations and working across silos**.

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<sup>2</sup> Climate Assembly UK. [The Path to Net Zero - Executive Summary](#), p. 10

<sup>3</sup> Scotland's Climate Assembly. [Full Report - Measuring Success](#)

<sup>4</sup> APPG on the Green New Deal. [How to Reset - Policies to deliver on the public desire for a fairer, greener Britain after Covid](#), p.9

<sup>5</sup> WEAll Scotland. [Failure Demand - Counting the true costs of an unjust and unsustainable economic system](#).

Wellbeing budgets need to adhere to the following principles (adapted from <sup>6</sup>):

- **Holistic and human:** adopt a whole-system approach that encompasses support across the suite of factors that shape people's scope to thrive.
- **Outcomes-orientated:** focus on accountability for end results (often at a societal scale) rather than services or spending.
- **Rights-based:** the goals of a budget should be to uphold and realise human rights and to do so in an accountable, transparent and participatory manner.
- **Long-term and upstream:** policymakers should take decisions 'as if they mean to stay, rather than confining themselves to projects within one parliamentary term.
- **Preventative:** prevention (and indeed a multidimensional wellbeing approach) is also about considering present and future generations around the world. The fiscal budget needs to operate within a science-based carbon budget that limits overconsumption of the earth's resources.
- **Precautionary:** the evidence base for the harm caused by climate change and inequality is sufficiently sound to be acted upon, even if not all specific details are fully established.
- **Participatory:** citizens need to be involved across the entire budget process via a creative, inclusive mix of methods that welcomes the experiences and ideas of everyone. Particular effort needs to be made to elevate the voices of those who are often marginalised.

## Contact us

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<sup>6</sup> Dr Katherine Trebeck with Amy Baker. [Being Bold: Building Budgets for Children's Wellbeing](#)