



# THE ECONOMY OF WELL-BEING AS A TOOL TO INNOVATE THE HEALTH POLICY-MAKING

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# Why do we need an “Economy of Well-Being”?

Mutually reinforcing Well-being and Growth



- A focus on **people** rather than the economic system or GDP
- Measures **outcomes** rather than inputs and outputs
- Examines both **averages** and **inequalities**
- Considers both **objective** and **subjective** aspects
- Concerned with well-being both **today** and **tomorrow**



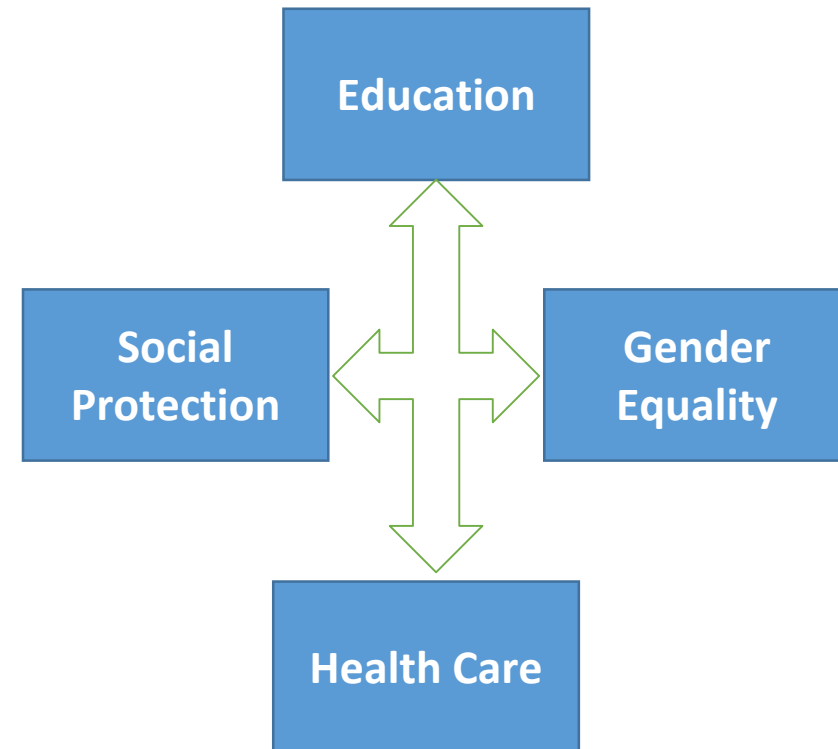
# What do we mean by an “Economy of Well-Being”?

## Defining the Economy of Well-Being

### An economy that:

- **Expands** opportunities available to people for upward social mobility and improving their lives in the dimensions that matter most to them
- **Ensures** opportunities translate into well-being outcomes for all segments of the population, including those at the bottom of the distribution
- **Reduces** inequalities
- **Ensures** environmental and social sustainability

## Key channels for activating the virtuous circle

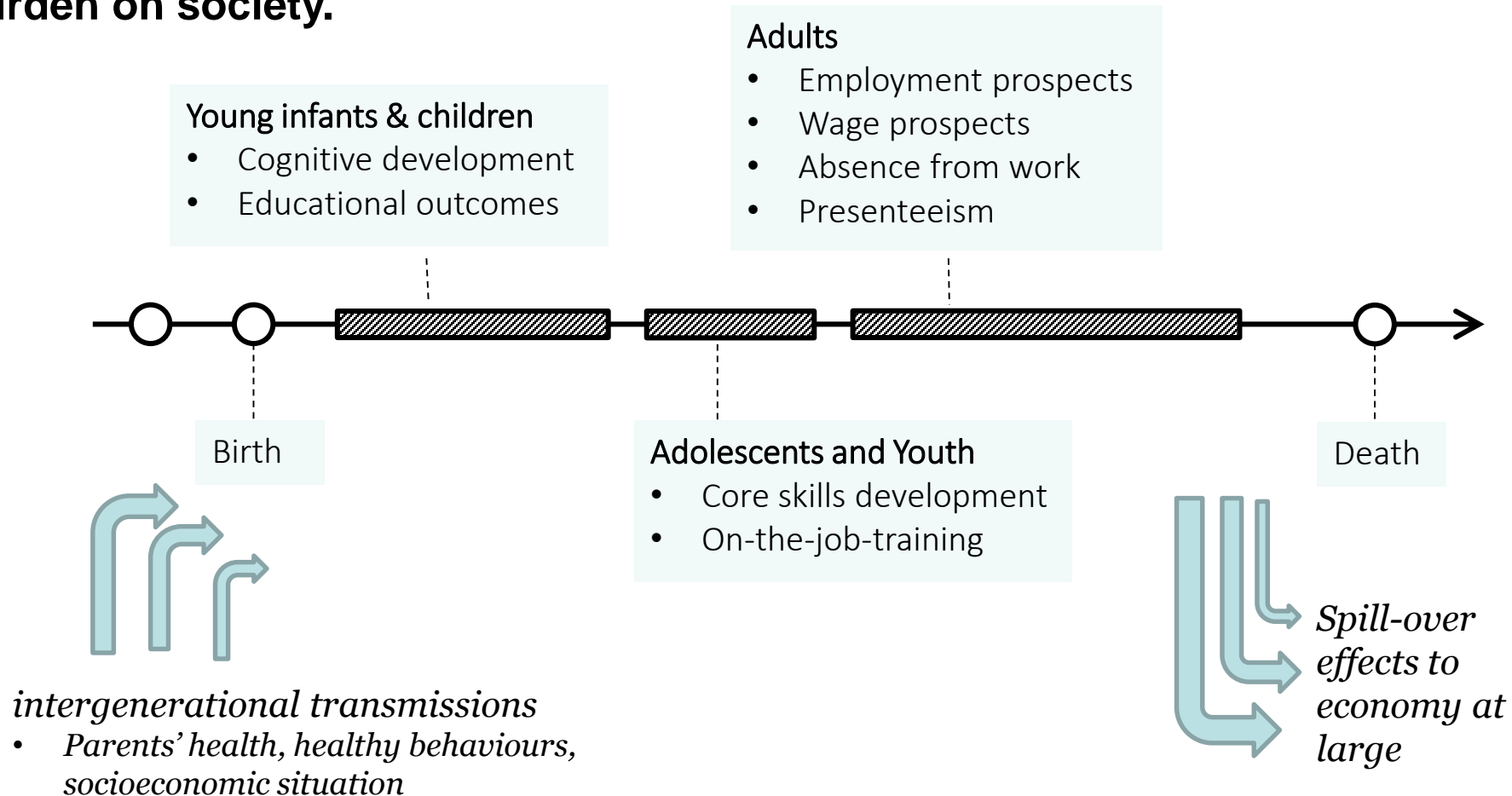




# How to create an “economy of well-being”?

## Investing in health care

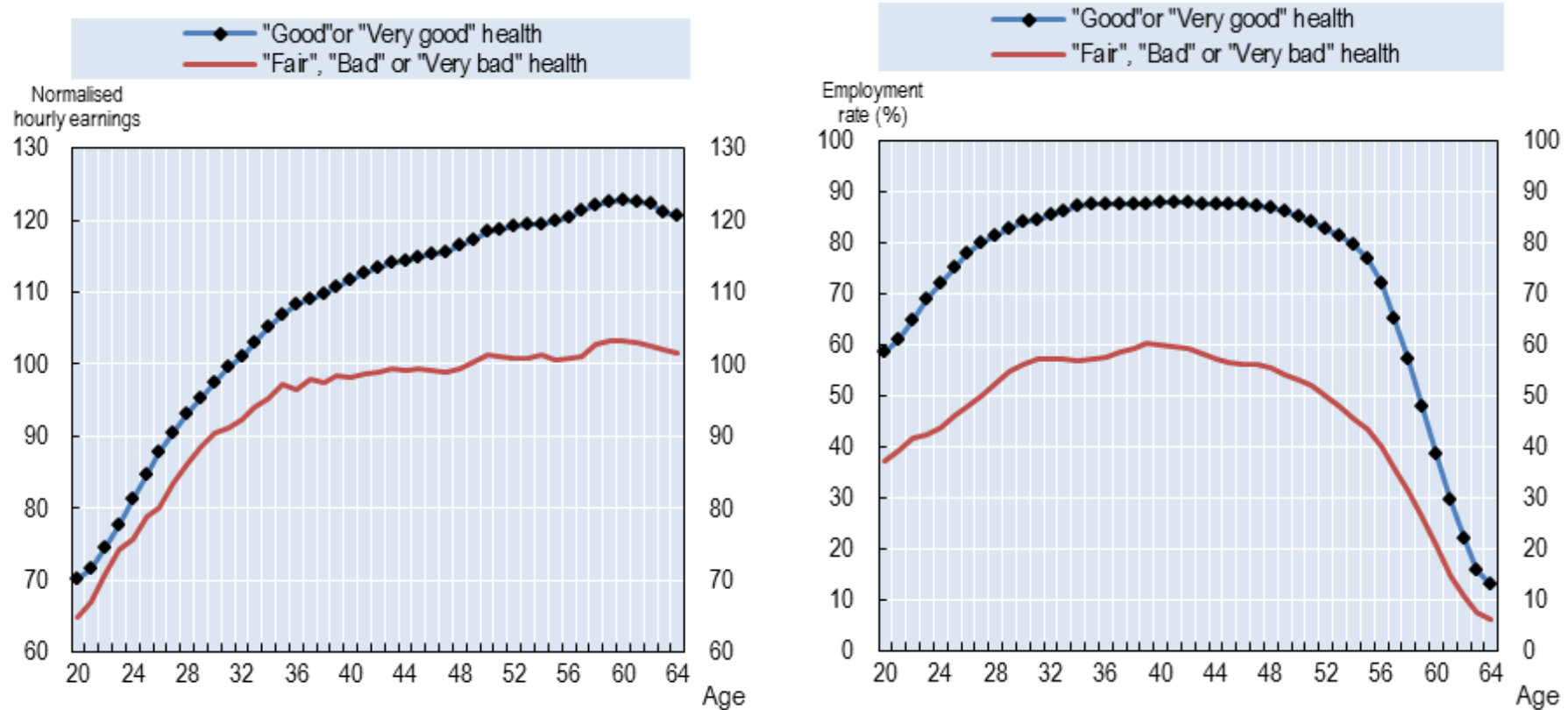
- **Good health fuels economic growth, productivity and individual earnings. It also has positive effects on many other dimensions of well-being. Poor health imposes a significant economic and human burden on society.**





# Ill-health lowers wages, with disadvantage compounding over life course

## Wages and Employment, by age & health status (OECD average, males)



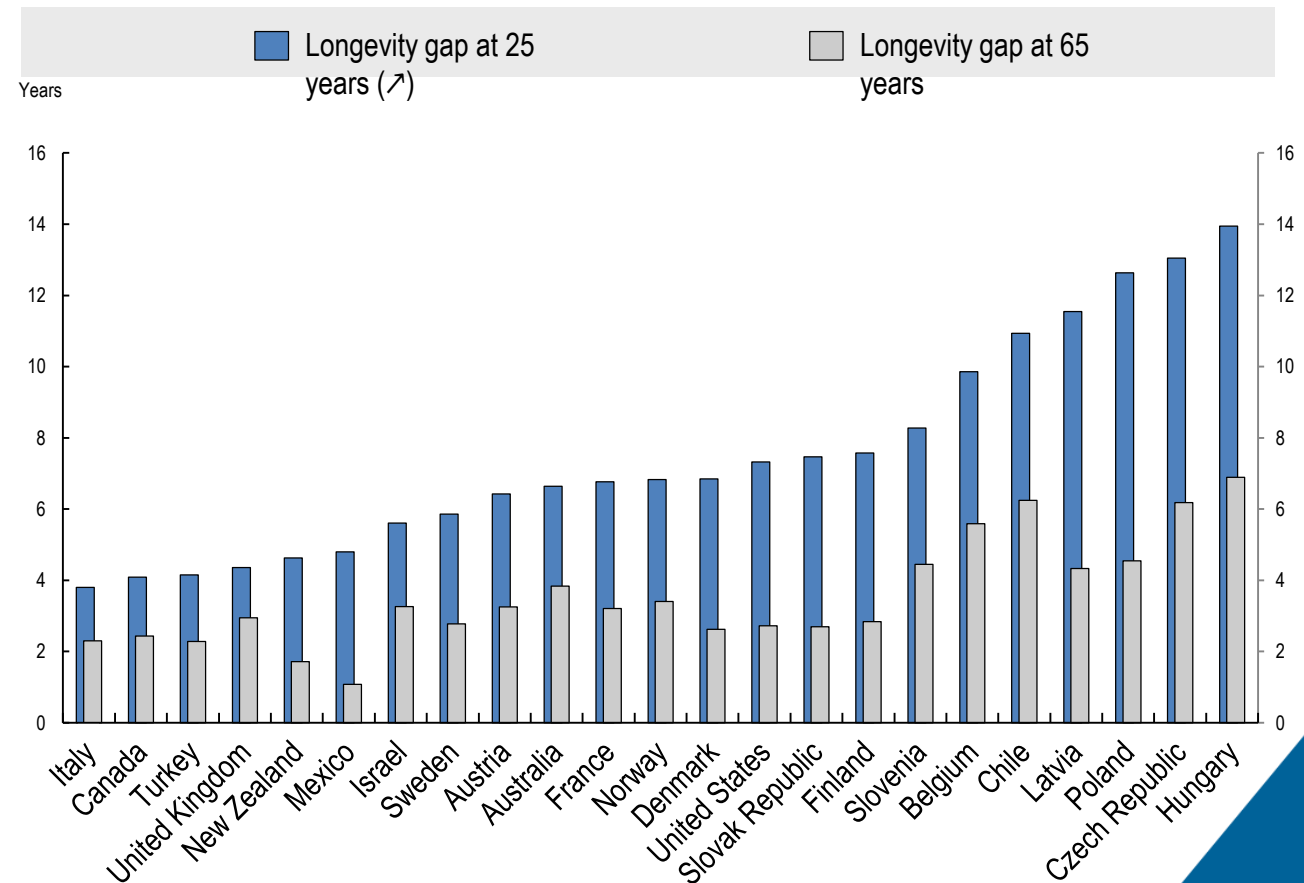
Source: OECD Ageing Unequally project (EU-SILC 2005-13 data)



# Ensuring access to high quality health care for all can improve well-being and increase economic performance

## Do health systems currently contribute to counterbalancing observed inequalities in outcomes?

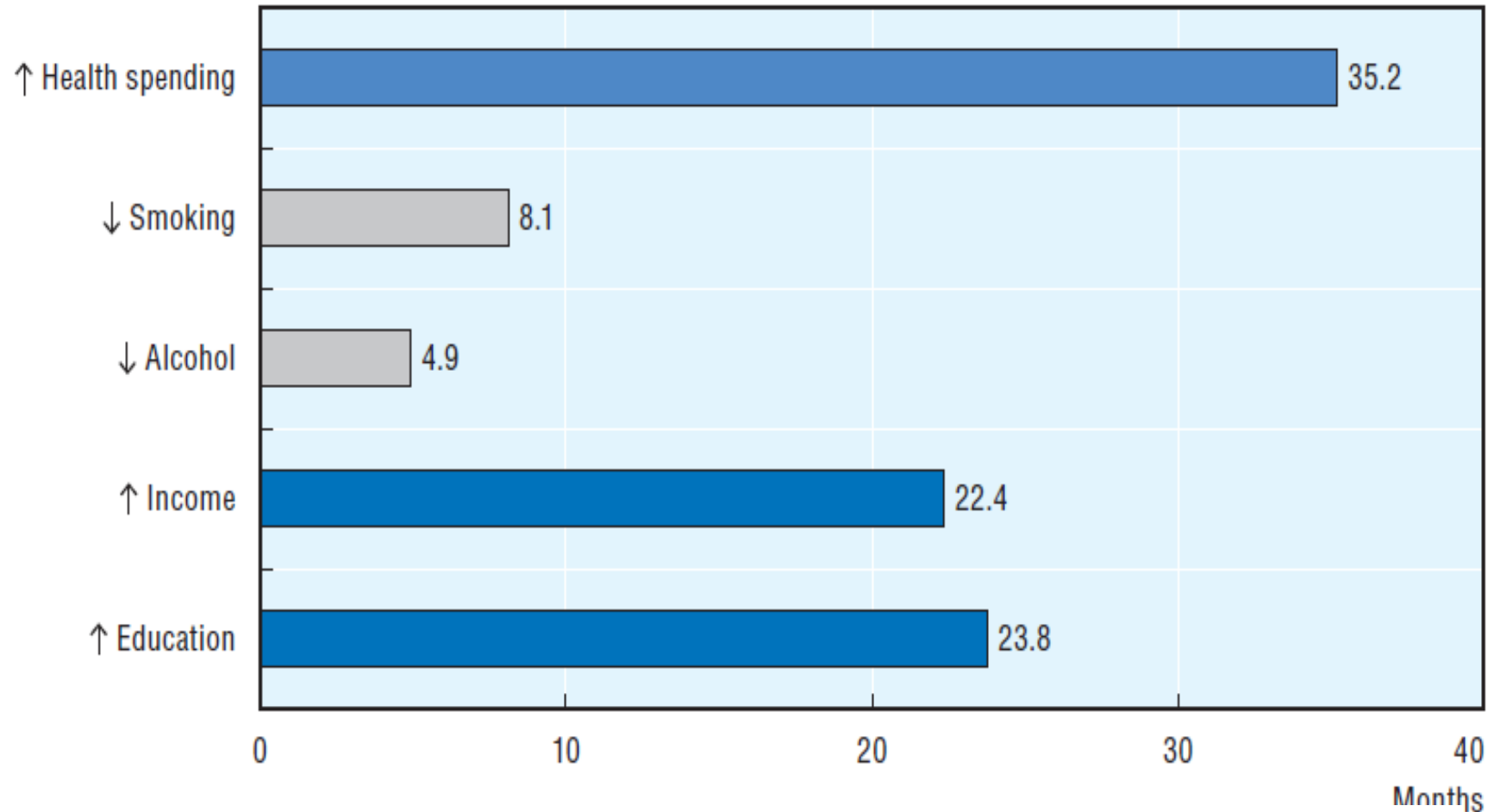
- Poor health behaviours and poor health outcomes are more prevalent among the disadvantaged (e.g. risk of smoking, being overweight).
- Access to services, including prevention, is better in the top income quintile.
- More unmet need for care for the poor, in particular due to costs, and more waiting times.





# Life expectancy gains – contributions from factors within and beyond the health system

Analysis based on 35 OECD countries for the time period 1995-2015



*Note:* Figures represent the gains in life expectancy that could be expected with doubling health spending, doubling income, reaching 100% of tertiary education, and halving smoking and alcohol use.

*Source:* OECD Health at a Glance 2017



## Policy avenues to promote health systems more people-centred

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- Preventive measures and high levels of health protection to better address risk factors
- Increased patient-centred primary care delivery
- Improved health literacy
- Reduce inequalities of access
- Interventions beyond health are critical and partnerships are needed





## Four key mechanisms used in several OECD countries to improve wellbeing

- Budgeting
- Performance frameworks
- Creation of new institutional structures
- Building capacity in the civil service



➤ **Taking stock of these  
national experiences at an OECD  
Conference on 3-4 October**

<http://www.oecd.org/statistics/putting-well-being-metrics-into-policy-action.htm>

Putting Well-being Metrics  
into Policy Action



3-4 October 2019





## What are the implications of creating an “economy of well-being” for economic policies

- Social investments geared towards creating an “economy of well-being” hold the promise of ***delivering high economic and social returns***.
  - Well-designed programmes in education, health care, social protection and gender equality ***will increase tax revenue and lower cost of remedial action***.
  - When returns to the government from these social investments exceed the costs of public borrowing, ***government new worth will rise***.
  - Even when the government does fully appropriate their returns, these social investments will ***improve the balance sheet for the country as a whole***.
- **Changes in the EU framework for macroeconomic and fiscal policies should take these effects into account.**