



Resolution 1721 (2010)¹

Final version

Wealth, welfare and well-being: how to reconcile them in a changing Europe?

Parliamentary Assembly

1. The pursuit of a prosperous and dignified life for all is the overarching aim of European society. Ever since the destructive and disruptive world wars, Europe has sought to embrace a development path that would consolidate its commitment to the shared spiritual and moral values that underlie the principles of democracy, human rights and the rule of law. Yet the past decade has exposed many shortcomings in the prevalent development model based on excessive reliance on the wealthy post-war generation and the lack of a holistic approach. Economic growth, social well-being and protection of the environment must be rebalanced in a way that puts the quality of life at the centre of development policies.
2. Gross Domestic Product (GDP), which measures a country's level of production, has become the benchmark of the progress of our civilisation, and the well-being of our citizens. However, the current economic crisis is forcing society to re-examine how it relates to wealth and to take social well-being and environmental imperatives into account when considering economic growth. The Assembly believes that it is no longer sufficient to use GDP as the sole instrument for measuring the economic and social condition of society because it is only an accounting tool. Automatically equating GDP growth with a population's well-being has become obsolete.
3. The Parliamentary Assembly considers that the time has come to develop appropriate political, economic, social and environmental responses in a rapidly changing world and in a Europe where economic disparities subsist, notably between East and West. It therefore emphasises the need to use parameters that take into account other – non-monetary or non-financial – factors that contribute to countries' wealth and the well-being of their people. Political and economic decision makers must now equip themselves with new transversal tools that help societies meet the challenges of the 21st century, such as those stemming from the reorganisation of the global economy, climate change and demographic issues.
4. The Assembly welcomes the various initiatives of the Council of Europe (for example, the seminar Involving Citizens/Communities in Measuring and Fostering Well-Being and Progress: Towards New Concepts and Tools, Strasbourg, 27-28 November 2008); the Organisation for Economic Co-operation and Development (OECD), which has launched a global project Measuring the Progress of Societies; the European Commission, the European Parliament, the Club of Rome, the World Wide Fund for Nature (WWF) and the OECD, with their joint international conference Beyond GDP – Measuring Progress, True Wealth and the Well-being of Nations (Brussels, 19-20 November 2007) and its follow-up; and the international Commission on the Measurement of Economic Performance and Social Progress, which delivered its recommendations on 14 September 2009.
5. The Assembly calls on national parliaments to draw upon the work accomplished by the various international organisations and experts in drafting future legislation and to hold country-specific debates on the implications of the above initiatives in a national context.

1. *Assembly debate* on 27 April 2010 (13th Sitting) (see [Doc. 12199](#), report of the Committee on Economic Affairs and Development, rapporteur: Mr Vrettos). *Text adopted by the Assembly* on 27 April 2010 (13th Sitting).



6. In order to secure a clearer picture of the well-being of Europeans, the Assembly urges the Council of Europe member states to take better account of the following principles:

6.1. environmental issues are of fundamental importance for the well-being of European societies and, above all, the survival of future generations. Global warming, the depletion of natural resources, environmental degradation and the disappearance of animal and plant species all have a major impact on the immediate environment and living conditions of 800 million Council of Europe citizens. Precise measures are needed of the physical condition of this natural capital, as well as the threats to it and their impact on human capital;

6.2. the health of European citizens, the management of public health systems and enhanced access to quality health services are essential. Demographic challenges are forcing our societies to make new health policy choices. While the increase in life expectancy has implications in terms of structural policies needed to adapt to the changing situation, it is also a source of economic growth;

6.3. growing inequalities and the deterioration in social well-being are often the first consequences of economic crises. Today more than ever in the past we should protect and assist the most vulnerable members of the community and those who are most likely to suffer discrimination, for example as regards the wage gap between women and men or discrimination against persons from minority groups in employment and housing. One of the main priorities must be to develop indicators that provide us with as precise a picture as possible of the state of social cohesion in Europe;

6.4. strengthening democracy, the rule of law and respect for human rights remain absolute priorities for the Council of Europe. Living in peace, the enjoyment of public and civil freedoms, a fair judicial system and anti-corruption efforts, as well as the respect for ethnic, linguistic and religious differences all increase political well-being, which is rapidly transformed into economic benefits;

6.5. a high standard of education is essential for the development of skills and thus for Europe's competitiveness in the context of globalisation;

6.6. a continued deterioration of labour markets translates not only into human distress due to unemployment or precarious employment, but also swelling public budget deficits and, inevitably, worsening public well-being.

7. The Assembly therefore calls on Council of Europe member states to ensure adequate budgetary support for their development policies with a view to pursuing more balanced and healthier economic growth.

8. The Assembly further considers that the search for new indicators of societal well-being must not eclipse the general debate on ways to improve GDP measurement so that it covers economic data not currently measured, such as the various activities within the household economy.

9. Well aware that measuring well-being can only be effective if there is general agreement on the subject and, above all, if the relevant initiatives have wide support, the Assembly wishes to see a continuing international debate on the question of well-being at major high-level gatherings and existing international forums, such as the G20 where a working group on growth indicators could be established. This debate needs to address key problems arising from our lifestyle, the shortcomings of which have been highlighted by the economic crisis. This working group should seek to propose new economic solutions for our societies that do not come down to a limited choice between all-pervading government control and the sole rule of free-market economics.

10. The Assembly also urges member states, and particularly local and regional authorities, to do much more to raise public awareness of what constitutes greater well-being. It therefore encourages all local authorities that so wish to collaborate with the Congress of Local and Regional Authorities of the Council of Europe, which has considerable expertise in this area.

11. The Assembly also considers that civil society should be fully involved in the various activities concerned with identifying indicators. As those primarily concerned, citizens must be consulted through genuine participatory democracy before any indicators are applied. The new indicators can be established only within the framework of social consensus.

12. Finally, the Assembly considers that the various bodies of the Council of Europe should continue working on this fundamental issue of well-being.