
Pursuing sustainable fiscal policies for health and social protection in the context of the well-being economy



European Region

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What's important to people today?

- People want to *thrive not just to survive*
- They want to live in *healthy and safe communities*
- They expect their authorities to deliver public policies which secure a *better life today and for future generations*

CULTURE
SECURE HOMES
STRONG RELATIONSHIPS
LEARNING
SAFETY
VIBRANT ECONOMY
TRUST
GREEN SPACES
LOW CRIME
INFLUENCE IN MY COMMUNITY
WORK-LIFE BALANCE
THINGS TO DO LOCALLY
ACCESS TO HEALTHY FOODS
ACCESS TO HEALTHCARE

And the reality

The bottom 20% of the population in the WHO European Region experience:

HIGHER
Illness Limiting Daily Life
Comparing between the top and the bottom 20% of the population by income

2x MALE **2x** FEMALE



HIGHER
Poor Life Satisfaction
Comparing between the top and the bottom 20% of the population by income

3x MALE **2.5x** FEMALE



HIGHER
Poor Mental Health
Comparing between the top and the bottom 20% of the population by income

2x MALE **1.5x** FEMALE



HIGHER
Poor Self-Reported Health
Comparing between the top and the bottom 20% of the population by income

2x MALE **2x** FEMALE



What's behind the widening gaps in health and well-being

recent evidence from WHO Europe?



- **Economic development models focusing on profit over people**

64% young people with poor mental health related to insecure work, wages and unemployment



- **Inequitable distribution of opportunities and resources**

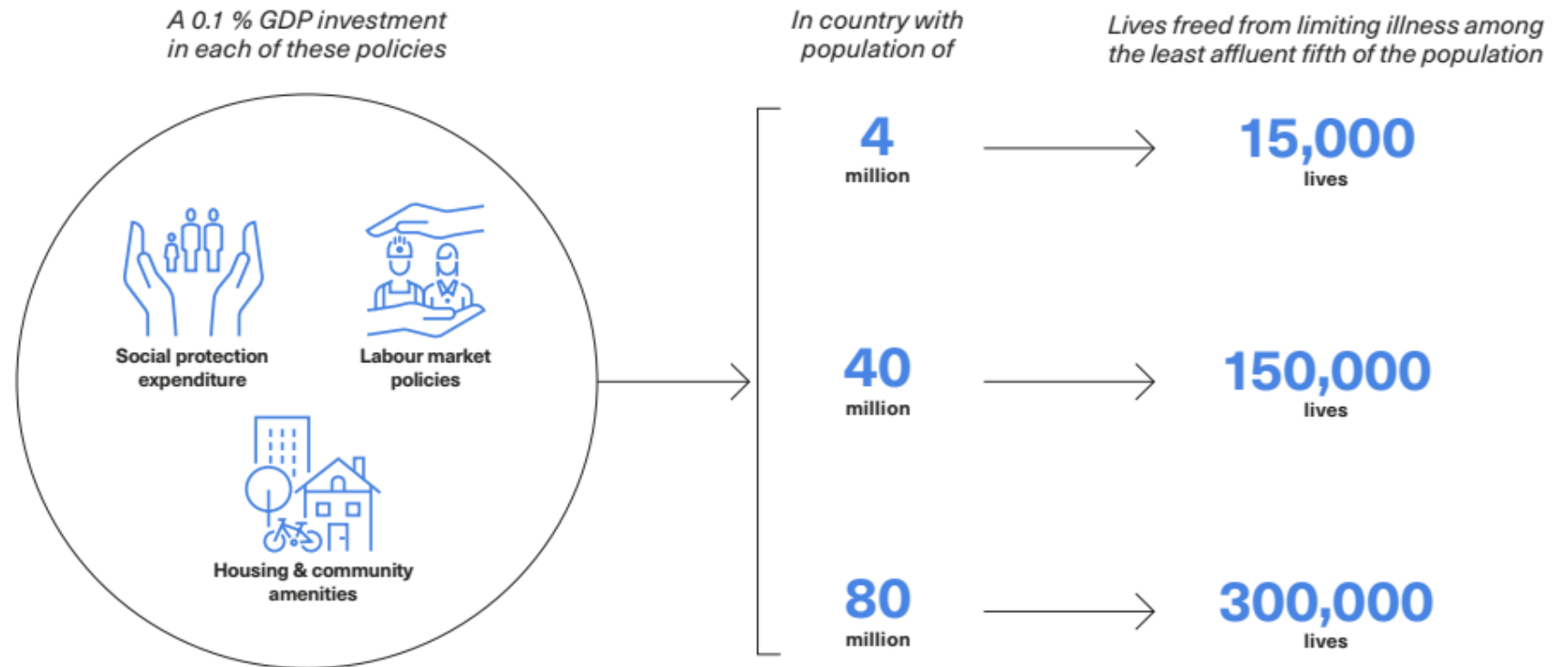
600,000 excess deaths in areas with low human development coupled with low health system investment



- **Underestimation of the importance of public services to safeguard trust and social and fiscal resilience**

40% lower level of Trust in government among people facing financial strain, not able to afford food, fuel medicines and shelter

Health equity results can be achieved in four years!

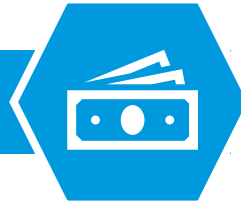


Source: WHO European Office for Investment for Health & Development, (WHO Venice Office) 2019

Well-being Economy Instruments

Two ways to shift resources towards health and well-being

Generate new revenue



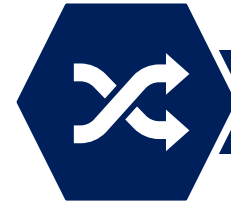
Taxes

Solidarity taxes (e.g., windfall), health taxes, wealth taxes, corporate taxes



Fiscal instruments

Debt swap, social bonds



Shaping and adapting existing spending

Well-being budgets

Well-being/quality of life scorecards, gender budgeting



Legal instruments, political and social accountability frameworks

Cross-party groups, commissions, local alliances



Distributional and sustainability impact assessment

Including health equity Impact assessment



Applying:

Participatory policy/ service models and dialogue

Joint target setting, community involvement, and pooling of resources

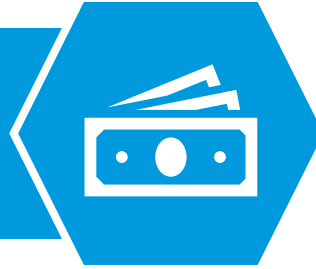


Well-being indicator frameworks

Made publicly available, linked to fiscal instruments and development policy



Generate new revenue: taxes



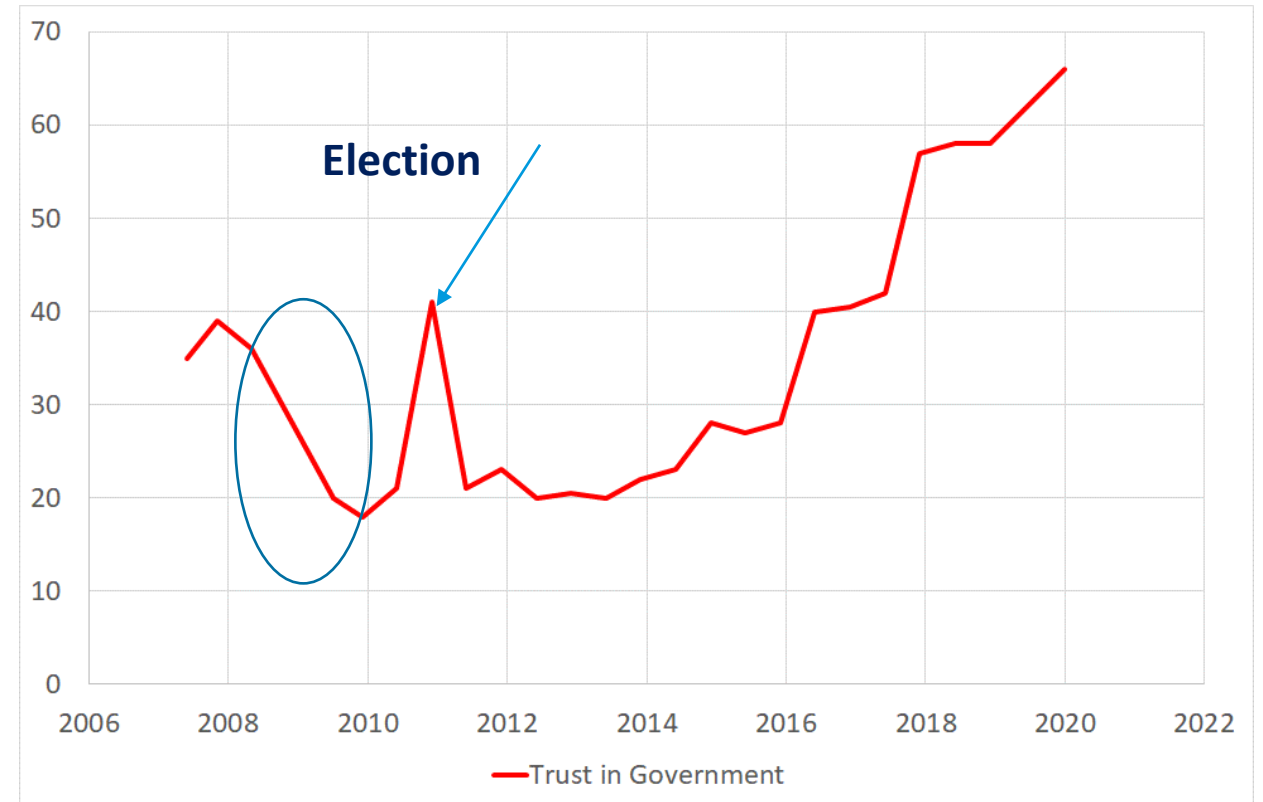
Capturing the direct and multiplier (co-benefits) effects of well-being policies

Example, solidarity policies deliver higher trust in public institutions

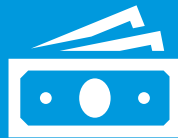
Case study: Ireland

SOCIAL SOLIDARITY - TRUST IN PUBLIC INSTITUTIONS

- FC → 2008 policy resulted in a Fall in purchasing power and reduced trust in institutions (**40%**)
- CC → 2020 policy Protecting purchasing power and increased confidence in institutions (**67%**)



Generate new revenue: taxes



5x1000, Italy. Since 2006, taxpayers in Italy can **allocate a portion of their personal income** to registered **non-profit organizations and social initiatives**. This includes NGOs, research, education institutions, voluntary organizations.

Impact

- ✓ opportunity to **directly control a portion of public spending**
- ✓ **over €7 billion** transferred to promote social benefits since 2006
- ✓ Over **16 million Italian** taxpayers use the mechanism each year



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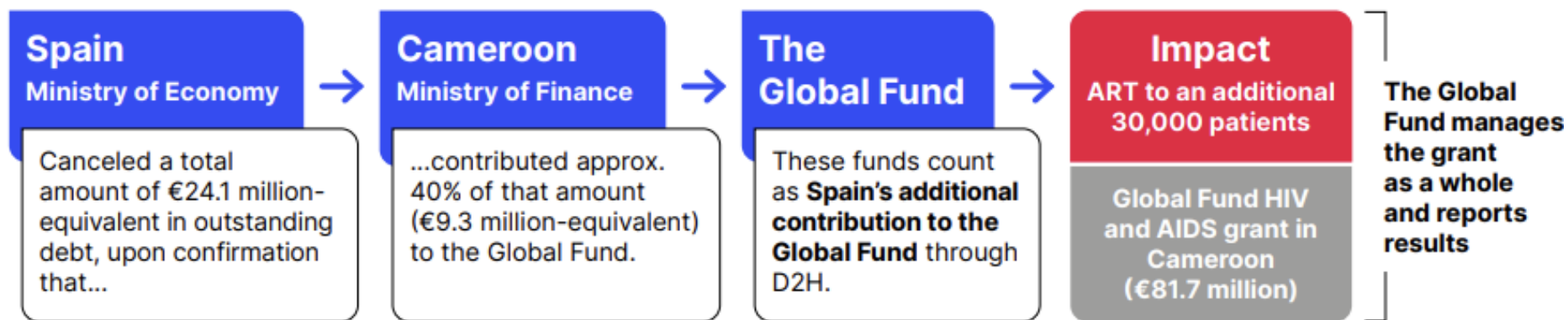
Generate new revenue: fiscal instruments



Debt to health swap: Converting debt repayments into investments in public health

Case study:

In 2017, Spain agreed to waive debts owed by Cameroon in exchange for investments in domestic health programs

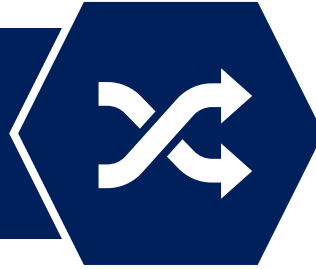


Source: [The Global Fund. Debt2Health Collaboration Through Financial Innovation.](#)



Debt swaps are innovative fiscal instruments that allow a country to convert its debts into additional funding for health programs, helping increase domestic financing in health

Directing new and existing spending: well-being budgets



Case study: Iceland 2012-2022



Ten years after the crisis.....

- Strong economic and social performance.
- An annual average growth 2- 4%
- Unemployment is under 3%.
- Highest male employment rate in the world
- Female employment rate is higher than the employment rate of men in other European countries.
- OECD wellbeing database



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Key lessons:

- Return on investing in:



equal opportunities



gender equality



pay and work policies



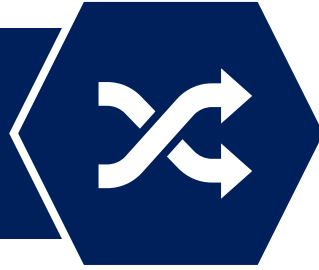
secure and inclusive employment

N.B.



All well-being indicators are linked to fiscal mechanisms and annual budgets

Directing new and existing spending



Kyrgyz Republic. An article in new Tax Code establishes tax incentives for promoting sustainable development, attracting investment and financing for sustainable development, and achieving the priorities of the National Development Strategy.

Impact

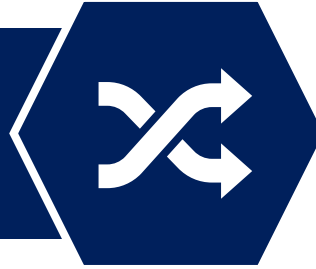
- ✓ **40%** of the incentives are focused on SDG 8. Decent work and economic growth
- ✓ **33%** of the incentives are focused on SDG 1. No poverty
- ✓ between 2016 and 2020, **over \$130 million in tax incentives were assigned to SDG 3.** Good health and well-being



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Directing new and existing spending



Preston Model, UK. Community wealth building focused on reinvesting into local communities through **skills training**, provision of **decent local jobs** and a **greater diversity of ownership** and **participatory decision-making**

Impact

- ✓ **11% increase in median wage**
- ✓ **9% improvement in life satisfaction**
- ✓ **reduced prevalence of depression** and reduction in the prescribing of antidepressants



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Articles

The mental health and wellbeing impact of a Community Wealth Building programme in England: a difference-in-differences study



Tanith C Rose, Konstantinos Daras, Julian Manley, Mick McKeown, Emma Halliday, Tom Lloyd Goodwin, Bruce Hollingsworth, Ben Barr



Summary

Background Wide differences in health exist between places in the UK, underscored by economic inequalities. Preston, an economically disadvantaged city in England, implemented a new approach to economic development, known as the Community Wealth Building programme. Public and non-profit organisations modified their procurement policies to support the development of local supply chains, improve employment conditions, and increase socially productive use of wealth and assets. We aimed to investigate the effect of this programme on population mental health and wellbeing.

Methods Difference-in-differences techniques compared trends in mental health outcomes in Preston, relative to matched control areas before (2011–15) and after (2016–19) the introduction of the programme. Outcomes were antidepressant prescribing, prevalence of depression, and mental health related hospital attendance rates using data provided by National Health Service Digital, the Quality and Outcomes Framework, and the Office for National Statistics. Additional analysis compared local authority measures of life satisfaction, median wages, and employment with synthetic counterfactuals created using Bayesian Structural Time Series.

Findings The introduction of the Community Wealth Building programme was associated with reductions in the prescribing of antidepressants (1.3 average daily quantities per person [95% CI 0.72–1.78]) and prevalence of depression (2.4 per 1000 population [0.42–4.46]), relative to the control areas. The local population also experienced a 9% improvement in life satisfaction (95% credible interval 0–19.6%) and 11% increase in median wages (1.8–18.9%), relative to expected trends. Associations with employment and mental health related hospital attendance outcomes did not reach statistical significance.

Interpretation During the period in which the Community Wealth Building programme was introduced, there were fewer mental health problems than would have been expected compared with other similar areas, as life satisfaction and economic measures improved. This approach potentially provides an effective model for economic regeneration potentially leading to substantial health benefits.

Funding National Institute for Health Research.

Lancet Public Health 2023

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Correspondence to:

Directing new and existing spending: Universal Basic Income



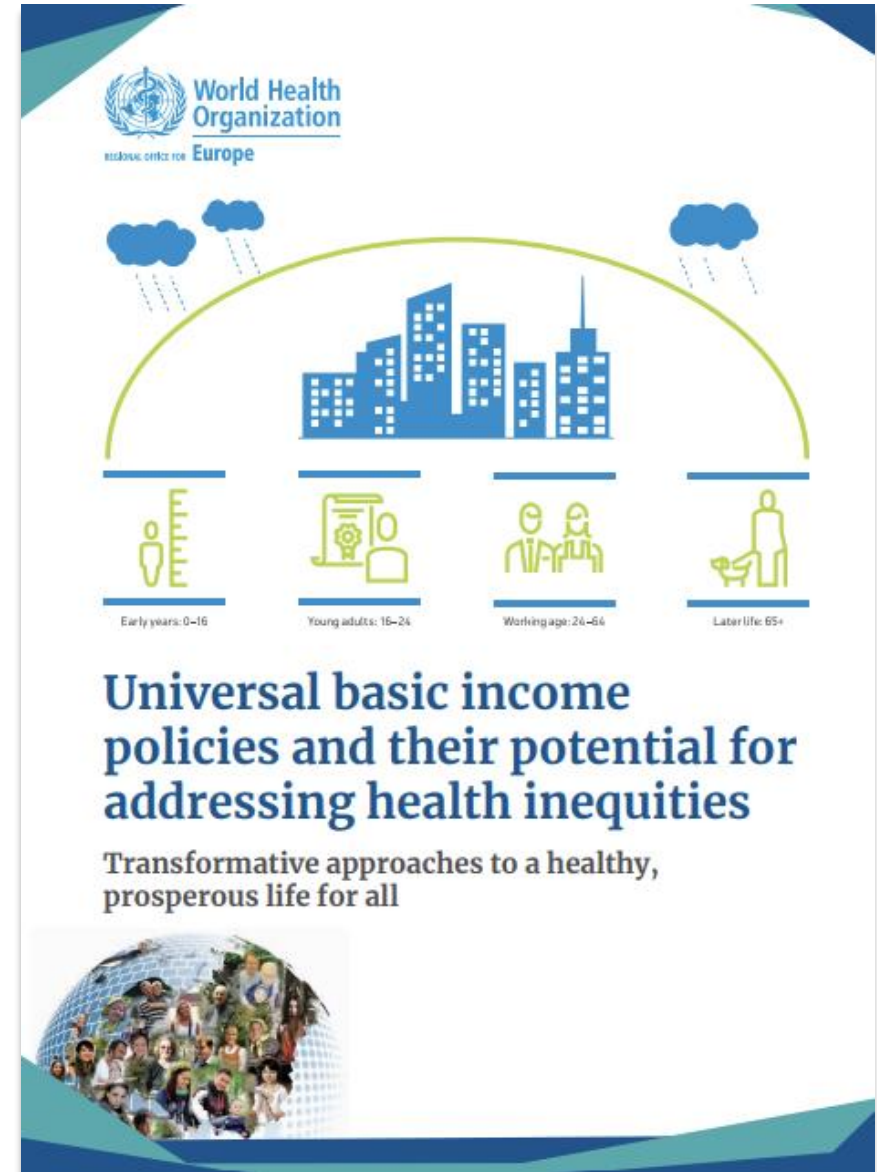
Universal Basic Income, Europe & North America.

Experiments of UBI involve a **periodic cash payment** that is **unconditionally** provided to **all individuals**, regardless of their income level or employment status.

Impact

Some experiments suggest:

- ✓ **Increased sense of agency and trust** among recipients
- ✓ **More innovation and SME**
- ✓ **UBI can increase impact of other welfare policies**, such as education and health



Directing new and existing spending



Basic Income Service, Spain. In response to COVID-19, Spain launched a Basic Income Service to **support people living in extreme poverty**, especially children, and provide opportunities for **social and economic inclusion**.

Impact

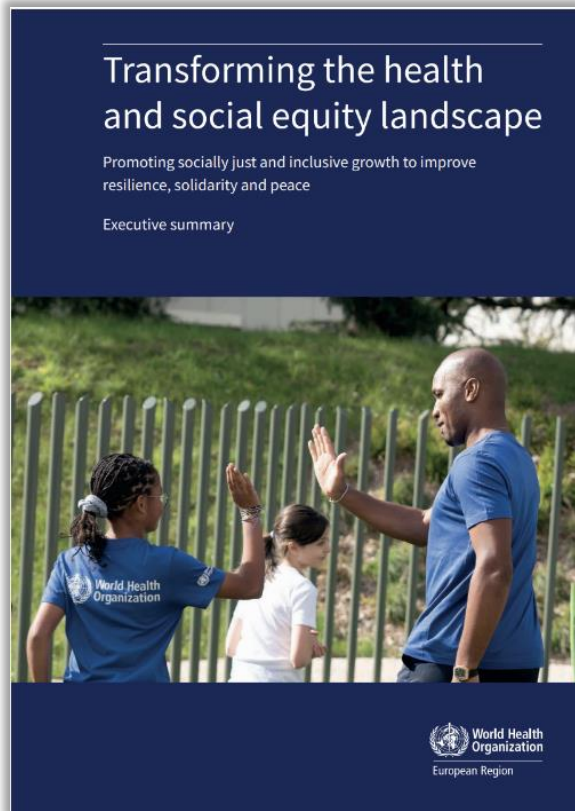
- ✓ **1.4 million people** covered
- ✓ **43%** are minors
- ✓ beneficiaries in Barcelona reported **increased levels of subjective well-being**



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Transforming the health and social equity landscape: promoting socially just and inclusive growth to improve resilience, solidarity and peace



Invest in young people



Develop responsive and integrated social and health protection systems



Ensure that all policies and services deliver higher trust in institutions and a greater policy impact for people



Promote equitable digital and green economic recovery that promotes well-being

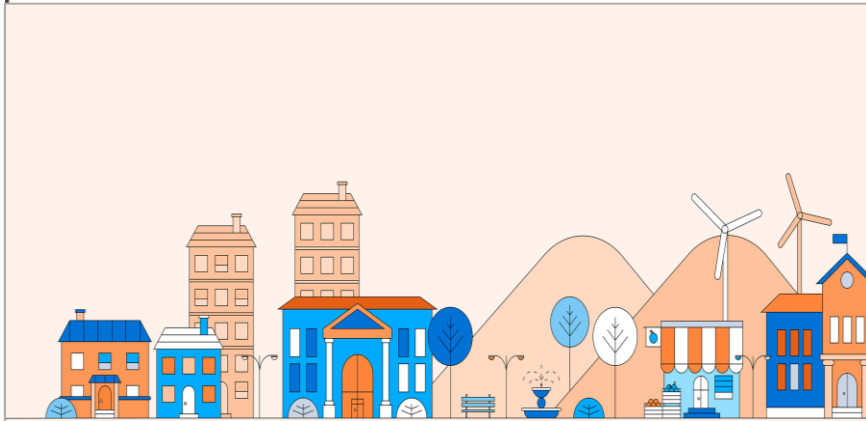


Ensure mechanisms for equitably distributing health and care resources

Finding common ground between health, central banks and finance

Shifting towards fiscally resilient, healthy societies.

Background document for the first meeting of the
Finding Common Ground initiative, 9 June 2023 in Venice



a joint initiative of the Bank of Italy, National Health Institute of Italy and WHO EURO



- Convening Central Banks Health, Finance and Economy on fiscal and economic wellbeing and sustainability trends and challenges
- New modelling and simulation tools for routine use by banks and finance to shape fiscal and economic policies that improve health equity & well-being;
- demonstrate the co-benefits of better health and health equity to fiscal stability and economic well-being goals
- Build Influence and Alliances across fiscal and economic forums and stakeholders *Wellbeing Economy Diplomacy*

WHO/Europe collaboration with UNDP Tax for SDGs Initiative

Tax Policies for Well-Being, Equity and Healthy Societies

UN General Assembly



New York, U.S.A.



19 September 2023



High-level keynote speakers and panellists

- The **whole of government** has a role in addressing large health challenges
- **Fiscal policy is a key tool** for health, economy and social fabric
- **Importance of investing in key health and well-being assets**, such as food, fuel, shelter and secure livelihoods



Katrín Jakobsdóttir
Prime Minister of Iceland



Achim Steiner
UNDP Administrator



Bård Vegar Solhjell
Director General of NORAD



Bruce Aylward
Assistant Director-General,
Universal Health Coverage,
Life Course



Hans Kulge
WHO Regional Director for
Europe



Ivana Živković
ASG and Director of
RBEC, UNDP



Joseph Stiglitz
Nobel Laureate, and
Prof. at Columbia University



Sanja Musić Milanović
Prof. at University of Zagreb,
and First Lady of Croatia



Lena Nanushyan
First Deputy Minister of
Health, Armenia



Anders Nordström
Ambassador for Global
Health, Ministry for Foreign
Affairs, Sweden



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Ahtesham Khan
Head of Tax for SDGs,
UNDP



Chris Brown
Head, WHO European Office
for Investment for Health and
Development

Next steps...



Country Pilot Sites

Cross Country Knowledge exchange and application know how



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Political Advocacy & Champions



“ This approach makes it possible to create a sustainable foundation for a just, equal, climate-friendly and competent society which is better equipped to respond to future crises and to overcome them more swiftly”

*Aino-Kaisa Pekonen
Former Minister of Social Affairs and Health, Finland*

“ Shifting to wellbeing economies is a way to renew our social contract rebuild trust in government and create a society where people can and want to stay, contribute and prosper.”

*Alexei Buzu
Minister of Labor and Social Protection, Republic of Moldova*

“ Good quality of life is an important value in itself ... and as a driver of policy, it can even out social differences and create a more health-promoting and fair society

*Bent Høie
County Governor of Rogaland, Norway*

“ Investing in health is key to North Macedonia's recovery and key to a sustainable economy”

*Fatmir Besimi
Minister of Finance, North Macedonia*



What are Finance Ministers saying about shifting to Wellbeing for All ?

Investing in health and wellbeing is like an insurance policy. Countries can take a risk and not sign into this insurance, but this is very much at the cost of bigger shocks to their populations and their economies.”

*Professor Mario Monti
Former Prime Minister,
Former Minister of Economy and Finance, Italy*

The Venice Office

Who we are

A team of health, economic and social policy professions + 5 collaborating research centres + 2 health policy networks spanning 38 countries

What we do

Connect health, social & economic policy makers with the solutions to reduce health inequities for inclusive and sustainable societies and economies.

- home of the WHO EURO *Healthy Prosperous Lives for All Initiative*
- evidence, analysis and Investment tools for **shifting to Well-being Economies**
- policy & strategy support to European countries
- solution dialogues
- regional and global norms and guidance
- European alliances & partnerships for health equity & wellbeing



World Health
Organization

European Region

WHO European Office for Investment for Health and Development





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The waves of crisis

