Towards a Sustainable Well-being Society
From Principles to Applications

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Sitra Working Papers provide multi-dimensional information about developments affecting societal change. Working papers are part of Sitra’s future work conducted by means of forecasting, research, projects, experiments and education.

Measured in terms of economic development and social justice, the model of Western welfare states has been one of the most successful societal models in the world. But many welfare states are now going through a historical transformation. The public spending crisis, economic restructuring and adaptation to climate change are huge challenges to be addressed. These challenges reflect a deeper and longer-term structural crisis of the 20th century societal paradigm. What is needed now is the same kind of courage, visionary thinking and open-mindedness that we had when we first began to build the welfare state.

WELFARE STATES have been characterized by a distinctive combination of values related to democracy, equal welfare and opportunities, and market-based economy. Each of these are today under serious pressure: Welfare states face increasing difficulties in fulfilling their promises of equality and basic socio-economic security. Their economies are vulnerable to crisis and unable to respond to long-term sustainability needs. There are also cracks in democracy: voting rates are volatile and people are searching alternative channels of influence.

At the same time as advanced economies have become increasingly short-sighted and rigid, the world around has become more interdependent, complex and uncertain. The Western world has not been able to keep up with these developments. Simultaneously many East Asian countries have become increasingly efficient, functional and competitive, particularly due to their ability for long-term strategic planning. If the Western countries wish to prosper in the global competition between nations also in the future, they need to become substantially more agile, and strengthen their strategic insight as well as long-term thinking.

These developments fundamentally challenge the functioning of Western societies. Responding to these challenges does not necessarily mean abandoning Western core values. However, it challenges the Western world to profoundly reconsider, how their societies can function more efficiently based on these values, and how the functioning of society can be improved to better serve future needs. Most of all, the developments challenge the ability of political leaders to act strategically within a long-range perspective.

Advanced Western countries need a vision to set a new course for the future. The vision must address at least three challenges. First, it must recognise how the well-being needs of people have significantly evolved since the establishment of many of the institutions of the welfare state. Additionally, the widening economic inequalities and rapid diminishing of social cohesion need to be addressed.

Secondly, the welfare state accorded a substantial role to the nation state in providing for the welfare of its citizens. The public economies responsible for financing the welfare state are today sluggish and burdened by high public debt. The traditional role of the national governments...
is also challenged by the global nature of many problems, as well as the evolving societal roles of business life and the civil society. In order to facilitate the best possible arrangements for producing well-being, governments need to cooperate more closely and form partnerships with firms, the civil society, and other nations.

Thirdly, the welfare state model is basically a socio-economic model, the core ideas of which originate from an era where human activities mostly had local and reversible impact on the environment. Today, our socio-economic model is profoundly challenged by ecological constraints of global level. Despite many developments in environmental policy, it is not yet sufficiently integrated as part of our societal model.

As a response to these three challenges this paper presents Sitra’s vision of a Sustainable Well-being Society, and principles leading to the vision. The vision and principles are constructed from the perspective of advanced Western societies. They may also be useful for many developing countries, although we must not automatically assume that the Western model is the best. It is important to recognise that developing countries may have found more efficient ways to solve at least some of the sustainability challenges faced by Western countries. This is why the road towards sustainable well-being needs to be viewed as a learning process based on open global dialogue.

Principles for a sustainable well-being society

Towards a positive cycle of change

According to the Brundtland Commission (1987), sustainable development is the kind of development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Without a vision of what those needs are today and in the future, sustainable development is difficult to implement. This is why we need new understanding of what is meant by “good life” in our ever-changing world.

Sustainable development is often divided into three equally important goals: economic, social and ecological sustainability. Sustainable development is what happens when all three are in balance. However, we are becoming increasingly aware of the fact that man has already exceeded the carrying capacity of the Earth, which is why our planet’s resources must be accepted as the framework for all human activity.

A sustainable well-being society strives to find answers to these challenges in particular. The natural environment forms the basis and sets the critical boundaries for all actions of man. Within these limits, social and human capital and efficient economic systems and governance models need to be seen as important enablers of the ultimate aim – human well-being.

Sitra proposes to found the sustainable well-being society on six principles. They have been chosen with

- **Addressing well-being in a holistic way**
- **Empowering individuals and communities**
- **Building competencies for a complex world**
- **Moving to a regenerative and collaborative economy**
- **Developing inclusive and adaptive governance**
- **Adjusting to planetary boundaries**

**Sustainable well-being** refers to the pursuit of “good life” within the Earth’s carrying capacity. This means

1. **Addressing** well-being in a holistic way and
2. **Adjusting** to planetary boundaries.

**A sustainable well-being society** is built on infrastructures and operating models that promote sustainable well-being. Its building blocks are

3. **Empowering** individuals and communities,
4. **Moving** to a regenerative and collaborative economy,
5. **Building** competencies for a complex world, and
6. **Developing** inclusive and adaptive governance.

**Strengthening resilience** is viewed as a goal that cross-cuts all principles.
developed Western societies in mind and they envision society a couple of decades ahead. In a rapidly changing world the vision will necessarily be fuzzy, and merely point out the direction.

The principles do not cover all the worthy goals and valuable actions that have already been taken in the name of sustainability but focus on issues that can only be resolved if a completely new way of thinking is adopted.

The principles also promote each other. If all the principles can be put into practice simultaneously in different sectors of society, the result will be a powerful positive cycle of change. Therefore, in the end of this paper we will illustrate how these principles can be adopted in four important areas of society and life: work life, lifestyles and consumption habits, social and health care service, and the school system.

**Strengthening resilience as a cross-cutting goal**

Developed countries are used to seeing society as a well-oiled machine in which causal relationships are clear, phenomena predictable, decision-making rational and hierarchical governance efficient. However, today’s societies no longer function in that manner.

Modern world is made up of complex and interconnected systems. Societies and their members have become increasingly dependent on each other. Events in one country or even the actions of one individual can have substantial consequences elsewhere.

The problems that challenge humankind today, such as climate change or the global economic crisis, are the result of the world growing more complex and interdependent. Man has come to a turning point where continued development calls for cultures and governance models that are better suited to the modern world.

Complex and interdependent societies are highly susceptible to sudden shocks and crises. Our finely tuned systems do not cope well with sudden changes. This is why resilience, i.e. the ability of society to recover and even pull strength from sudden shocks, is becoming more and more important all the time. Strengthening resilience therefore needs to be seen as a cross-cutting goal that links all the other principles in the pursuit of sustainable well-being.

The principles discussed here build resilience in individuals, the environment and society alike. For example, better life management skills give individuals more efficient coping mechanisms for dealing with difficult life situations. Adapting human actions to the Earth’s carrying capacity strengthens the environment’s ability to recover from man-made shocks. Stronger individuals and communities generate social capital, which is vital for enabling societies to grow and develop. Economic models that regenerate wealth from multiple sources make economies more flexible. Systemic changes can be forecast more accurately with a better understanding of complex phenomena. An experimental and inclusive approach to development can help to remove rigidity that makes systems susceptible to crises.
1. Addressing well-being in a holistic way

Mental health problems are a major cause of early retirement and social exclusion in many Western countries. Solving this problem calls for a more holistic approach to well-being. Effects on well-being should also be the premise of all policies. Decision-making centred on well-being is the best and most efficient way to maximise the use of scarce financial resources. As social inclusion, meaningful jobs and efficient coping mechanisms are critical components of mental well-being, even welfare states must boldly address the responsibility of the individual.

Making well-being a political priority

Many factors that are central to well-being have changed in the last few decades. The intangible needs of individuals – such as the ability to cope with different situations, make sense of the world and create a meaningful life – have grown more important. However, political debate still often focuses on questions of materialistic scarcities.

Our concept of well-being and the ways we measure it are in urgent need of updating: a more comprehensive approach is now needed. Well-being must be given centre stage when setting policy objectives in all sectors. A broader understanding of well-being would enable people to make better decisions in their daily lives. Decision-makers would be able to prioritise more efficiently in times of economic austerity. Organisations could develop better working environments, and businesses could sell products and services that promote well-being. A deeper understanding of well-being needs also creates conditions for developing incentives that do not make people feel that they are sacrificing their own well-being for the sake of a more sustainable lifestyle.

Simplicity to the complexities of life

Rapid social change has made life more uncertain and more difficult to manage. This drives people to make choices that may, in the long term, reduce their own well-being or the well-being of their families or others. The problem does not only concern people with healthy incomes. Those whose financial or other resources are limited also regularly need to choose between complex alternatives. An accumulation of bad choices can lead to poverty and social exclusion.

The complexities of everyday life have created a growing gap between the demands placed on the human mind and its ability to cope with these demands. The gap can be reduced and life made easier by making living environments and organisations less complex and by introducing user-friendly technology. Educated individuals who have a clear understanding of their own strengths and the contexts in which they live and work are able to cope better with life.

Bhutan aims at gross national happiness

Pursuing and measuring happiness intrigues people. The small nation of Bhutan in the Himalaya has adopted a bold approach to creating happiness by posting the pursuit of Gross National Happiness in its constitution. While the Western world centres on measuring Gross National Product, the official policy of Bhutan aims at increasing Gross National Happiness. Happiness in Bhutan is charted by measuring for example the mental well-being of inhabitants, health, education, time usage, cultural diversity, good governance, and biodiversity. In measuring happiness, it is not essential how happy someone feels at a particular moment, but how good preconditions the state has been able to create for happiness.

Personalised solutions and individual responsibility

In today’s highly specialised and individualised society, people want tailored solutions to their daily problems. Customised services can prevent life management problems from accumulating. Looking at people’s overall well-being in the long term, personalised solutions can also save society money.

Ecological, economic and social sustainability challenges cannot be solved without individuals taking responsibility for themselves. Today’s complex society needs decentralised decision-making, which means giving individuals more responsibility in issues concerning themselves. Looking after other people or the environment is often perceived as meaningful, which can also increase individuals’ own sense of well-being. This is why people need to be encouraged to take responsibility for themselves and their families.
2. Adjusting to planetary boundaries

Climate change and dwindling natural resources are forcing societies around the world to change their ways. Particularly Western countries must become more resource-efficient and cut their emissions. We can no longer live at the expense of future generations or poorer countries; we must learn to live within the natural limits of our planet. Pioneers who adapt to changes quickly will benefit, while dawdling opportunists will pay for their mistakes later in the form of weaker competitiveness and higher adaptation costs. We can ensure that we are among the former by making open-minded decisions that tackle global challenges determinedly head on.

Integrating environmental aspects to all policy-making

We are on the road to a considerably warmer climate. Moreover, consumption by the Earth’s growing and increasingly wealthy population is already 1.5 times our planet’s sustainable carrying capacity. The ecosystem losses that could result from this could have unexpected consequences for mankind. Regardless of this, the severity of the risks involved in exceeding the Earth’s carrying capacity and the cost of delaying the adoption of sustainable solutions have still not been fully acknowledged. Different political sectors have failed to coordinate between them to bring about any substantial changes. Our entire social model must be transformed into one that supports ecologically sustainable life. Challenges relating to the economy, the environment and well-being cannot be tackled as separate issues.

From resource efficiency to a circular economy

Resource efficiency minimizes a product’s environmental footprint and improves productivity while also boosting the producer’s competitiveness and image. Although resource efficiency has increased globally, it alone is not enough. The environmental benefits of resource efficiency are lost if total production volumes keep increasing. This is why instead of resource efficiency we should be talking about “resource wisdom”, which involves using natural resources in a manner that promotes sustainable development.

Resource wisdom means adopting a circular economy in which the material flows of production and consumption are seen in a completely new way. In a circular economy, making a product generates no waste, as one producer can always use the waste of another as raw materials for their product. A circular economy does not generate any more emissions than what carbon sinks can store. Another characteristic of a circular economy is using products for as long as possible and sharing them with others.

Kalundborg’s industrial symbiosis – signposting the way to a circular economy

In Kalundborg, Denmark, local businesses and the local government have created an industrial symbiosis in which waste from production processes is circulated from one party to another in a closed system. More than 30 pipes have been built to exchange waste between businesses on a daily basis. The pipes carry steam, dust, gases, heat, sewage sludge and other types of waste. The partnership, which is designed to generate both economic and environmental benefits as well as local well-being, has been in place for more than 50 years. It is based, above all, on good personal relations as well as short geographical distances and small ideological differences between the parties.

Transitioning to renewable energy

Fossil fuels are believed to remain the most important source of energy for a long time yet. However, we cannot continue to use them at the rate we are at the moment. The problem does not lie in the sufficiency of raw material but in the fact that if we use all the available coal and oil, the climate will grow warmer and begin to threaten mankind.

A rapid transition towards low-carbon energy production is therefore vital. This requires a considerable increase in energy efficiency, smart energy systems and a comprehensive change of course towards the use of renewable sources of energy. Moreover, a shift of focus from centralised to decentralised energy production enables better response to potential crises. New technologies and small-scale energy production can also generate new businesses and provide local benefits.

Ensuring the sustainability of green economy solutions

Businesses that focus on green economy, such as clean technologies, are currently growing faster than any other industrial sector. Although it makes sense for societies to invest in the development of green economy, its growth does not automatically translate into better ecological sustainability. Green economy must replace societies’ old infrastructures and operating models instead of just complementing them by dealing with the environmental consequences. In promoting green economy, special attention must be given to ensuring that new business solves more environmental problems than it creates.
3. Empowering individuals and communities

Inequality has increased in the Western world, and many feel like they are just small parts in a big machine with no say on their own life and living environment. The growing income and health gap threatens to weaken both social cohesion, which is vital for achieving sustainable well-being, and the economy. This is happening even in the Nordic countries, which have traditionally enjoyed a high degree of social cohesion. The Western countries need to continue to invest in social capital in order to stay cohesive and competitive. Socially sustainable societies are democratic and have a high level of equality. Citizens trust in their abilities to influence government and are capable of working together seamlessly.

**Shared visions and faith in the future**

What successful countries, organisations and businesses all have in common is that they have a bold vision of what they want to achieve, which is shared by all interested parties. Positive future visions motivate people to work towards a common goal and build team spirit. In many countries, however, decision-makers and lobbyists have not succeeded in providing a systematic, convincing and inspiring vision of their society’s future, which is what people ultimately need in the midst of major changes.

We must see beyond current crises and discuss the direction in which we want these changes to take us together. Decision-makers’ role is to promote this debate, but the best way to create a shared vision is to invite people from different walks of life to contribute to processes.

**From statistics to individuals**

The needs of different population groups and the increasing inequality between them have been popular topics in social debate especially with regard to the elderly, young people and immigrants. Each group has its own needs, but what they all have in common is that statistics about them do not tell the whole truth.

In our search for ways to improve the quality of life, we must increasingly look beyond statistics and see the differences in individuals’ circumstances. For example, there are major differences between the needs, wants and abilities of elderly people. This is why retirement age should be flexible to allow those who have the ability and the will to work for longer to do so. Flexibility is also needed in the school system to ensure that more support and more tailored solutions are available on equitable terms for young people who mature at different ages.

**Supporting community-based solutions**

A new age of communality is dawning. People today are keener and more capable of engaging in meaningful cooperation with each other than ever before. The public sector should increase cooperation with local communities by involving people from different walks of life in local development, by transferring more power to the local level and by motivating citizens to take action themselves. This could also help to cut costs and breed innovative solutions. Non-governmental organisations could gain better opportunities and a more important role in society, if they were to be included in the provision of public services as well. Excessive red tape must not prevent the implementation of citizen-inspired solutions.

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**Asset-based well-being in Scotland**

Asset-based ways to produce health and well-being have been introduced in different parts of Scotland. Asset-based approaches involve identifying and allocating local communities’ shared resources, such as know-how, skills, experience and people’s spare time, to protecting the community’s most vulnerable individuals and to promoting the health and well-being of the members of the community. The focus is on enabling well-being and residents’ empowerment, not on the provision of services. This makes residents feel like they are part of the solution rather than just a source of the problems. A project called Older People for Older People experimented with a concept in which communities in remote areas support the independent living of their older members as part of the community. The communities developed services that they themselves felt would best support the independent living of older people.
4. Moving to a regenerative and collaborative economy

Our economic structures need to be reformed so as to generate holistic well-being without overstepping the Earth's carrying capacity. The concept of wealth needs to be understood more broadly, and our economy must not be dependent on continuously increasing the consumption of natural resources. In order for the economy to be able to generate sustainable well-being in an efficient manner, business life must also be able to renew itself in a way that preserves competitiveness and vitality. What we need are new kinds of business ecosystems and new kinds of cooperation.

From individual businesses to business ecosystems

Many industrial sectors have had to move production to developing countries in an effort to cut costs and keep up with increasing global competition. The economic policies of Western countries have traditionally responded to this kind of pressure by developing the operating environment of businesses, rectifying market failures and subsidising individual firms or business areas.

The strategies of today’s successful businesses are more often based on adding value through networking. This means that the best way to generate new business is to build vast business ecosystems. The public sector plays a big role in their development. The public sector can help when the setting up of a new business ecosystem requires resources or risk-taking that an individual business cannot afford. Public sector organisations can also act as intermediaries between the businesses, decision-makers and non-governmental organisations that are needed for the creation of business ecosystems.

Injecting ecological and social value into the economy

The latest economic and debt crises have sparked both academic and citizen-based initiatives around the world that are calling for a comprehensive reform of the way we understand the operation and meaning of the economy. It is not enough that the economy itself is healthy and growing but it must also be able to create added value while regenerating both ecological and social capital.

Instead of seeing natural resources as consumables, we must begin to think of them as assets that generate value and that must therefore be sustained. Similarly, social capital plays an important role in generating welfare and enabling the functioning of the economy. This is why the finance market should, instead of seeking short-term profit, support sustainable value generation in the long term.

Impact investment combines social benefits and economic profit

Impact investments are a way of stepping up collaboration between the public and private sectors and social enterprises, by steering private equity towards projects aimed at promoting well-being. The primary goal is to create and measure social impact. One form of impact investments are social impact bonds, which only yield profit if the agreed targets are met. Impact investments have been used around the world to promote different causes, such as reducing unemployment, supporting the reintegration of former prison inmates into society, and increasing the opportunities of single mothers to study.

Alternatives for material growth

The central goal of the economic policies of welfare states has traditionally been to maintain economic growth in order to ensure the materialistic well-being of citizens. In many Western countries, however, materialistic wealth is no longer the most important standard of well-being. We must adopt an economic policy that functions within the boundaries of the Earth's carrying capacity and is not dependent on continuously increasing the consumption of natural resources. We should also seriously think about how we can generate well-being without economic growth. This is because it is possible that our economy will not, despite all our efforts, grow much in the coming decades.

Vitality from collaborative economy

Market-based economic policies have boosted economic efficiency and growth. However, they have also helped to concentrate wealth among few and increased the income gap. This causes not just social inequality but also economic problems. In order to promote sustainable well-being, our economy needs to take on more cooperative aspects. More and more large corporations have become interested in generating value not just for their shareholders but also for their stakeholders. Solving environmental problems by means of business is one example of generating shared value. Also social entrepreneurship and other forms of collaborative economy can at best empower individuals and communities by turning citizens from passive consumers into active producers of social and ecological value.
5. Building competencies for a complex world

Skilled and motivated people have always been an important factor for success. However, we operate in silos that emphasise deep knowledge in a specific area, while generating sustainable well-being requires the ability to see the bigger picture as the world becomes increasingly complex. We also need new cross-sectoral approaches to solving multi-dimensional social problems. This is why pioneer countries should reform their knowledge base boldly to meet these future needs even as international competence comparisons do not yet take them into account.

Understanding the big picture

Our society is made up of scientific and professional niches where deep knowledge in a specific field is king. Today’s complex problems nevertheless require solutions that originate from people and organisations with varied backgrounds. Shared problem-solving requires that all parties have what are known as “T-shaped skills”. The vertical bar on the T represents the depth of skills and expertise in a single field, whereas the horizontal bar is the ability to collaborate across disciplines with experts in other areas and to apply knowledge in areas of expertise other than one’s own. The ability to see the bigger picture is important not just for maintaining innovativeness in society but also for ensuring the well-being of individuals. Broad general knowledge helps us to understand the long-term consequences of our own choices. It can also translate into better coping mechanisms in people’s daily lives.

Places for shared learning and problem-solving

The diversity of work communities and societies is sometimes seen as a factor that hinders cooperation. However, communities that are demographically, ethnically and professionally diverse are good at solving complex problems. Communities that are able to take advantage of the opportunities presented by the diversity of their members are likely to grow more competitive than others.

Collaborative learning is needed to create a shared understanding of what the changes that are facing the world today mean and what each party’s role is in responding to the changes. Governments, businesses and non-governmental organisations can all support collaborative learning. What are needed are digital and physical learning environments, challenging people’s established beliefs and learning from mistakes.

Tapping individuals’ unique potentials

Information and communications technology is becoming more and more integral to all production and services. To keep up with the technology revolution, people need a whole new skill set. However, the question is not about just learning to use new gadgets; a more fundamental change is needed. Many 20th-century institutions, such as schools, were built with the “average user” in mind. However, technology has revolutionised the way in which the knowledge and skills of individuals can be identified, which allows students who need extra support to be given the help they need in time and more advanced students to be given an opportunity to broaden their education. This allows the potential in every individual to be harnessed more efficiently. As learning is increasingly supported by technology, teachers can dedicate more time to supporting other areas of students’ development.

From retraining to lifelong learning

The time of long and stable careers is over, and today’s labour force must continuously update their knowledge and skills. Retraining programmes are often targeted at undereducated workers whose risk of unemployment is the highest, which has led society to associate retraining with social assistance and employment services.

In the face of our future challenges, we cannot afford to leave anyone’s potential untapped. As the world grows increasingly complex and reliant on technology, even those who already have jobs and are highly educated will need tools for personal and professional development. Programmes that support lifelong learning should be ambitious and offer future-orientated cutting-edge training and new contacts.

Collective learning for decision-makers in Finland

Finland has developed several societal training programmes to boost the ability of decision-makers and opinion formers to deal jointly with the key societal challenges and opportunities of the future. These societal training programmes are based on shared learning and development, where know-how, understanding and reality are built together with the participants. Participants of the training programs represent decision-makers and opinion forms from various spheres of society. There are two training programmes organized by Sitra: regular courses that focus on leadership of sustainable economic policy, and Synergize Finland Forums with changing socially important themes. In Finland, societal training courses are also organised in relation to many other fields such as national security and forest issues.
6. Developing inclusive and adaptive governance

The ability to make decisions has grown increasingly important as a factor that determines a country’s competitiveness and even its credit rating. However, the existing decision-making machineries of many Western countries are outdated and rigid. The public sector is in turmoil in many countries, and major social reforms are not progressing as planned. Vast systemic changes, which are what sustainable well-being requires, cannot be implemented with the same tools as before. Our governance systems need to become more inclusive, and major changes must be tackled one step at a time.

**Innovative governance models for complex problems**

Industrialisation turned our society into an efficient and reliable producer of welfare. However, it also made it inflexible. Current policies are based on short-sighted choices at the expense of long-term strategies, and the existing infrastructure and decision-making processes are incapable of solving the problems that are challenging the world today.

Decision-making in complex environments can be facilitated by increasing transparency, interaction and integration between the various parts of an organisation or a network. One way to achieve this is to abandon separate government departments and adopt an integrated government. Society also needs a common goal. To define what that goal should be, all the most important interest groups with their diverging views must be included in the process. Society’s productive resources also need to be reallocated and regulation changed to support the common goal. This calls for a bold, high-level political commitment.

**Strengthening citizen-based and open democracy**

Voter turnout is on the decline in all Western countries, citizens no longer trust politicians, and globalisation has taken power away from national parliaments and given it to supranational organisations and local governments instead. The internet provides citizens with new direct channels for political participation. Individuals who are dissatisfied with representative democracy have also taken action themselves to promote causes of general interest that are no longer seen as the responsibility of the public sector or businesses alone. For example, street fairs stemming from individual people’s ideas, such as food festivals and car-boot sales, have become more common in recent years.

The operation models and structures of representative democracy need considerable revision, in order to increase citizens’ faith in politicians. More information still needs to be disseminated about the processes underlying decision-making, and opportunities for people to participate and influence decision-making need to be increased. It is also important to improve our understanding of direct citizen action. In many cases, such activities can be useful for society, but it can also lead to unforeseen or undesirable developments. The role of the public sector and its relationship with the private sector and citizens therefore needs to be reassessed.

**Singapore relies on first class public service and public dialogue**

The development of Singapore into one of the most prosperous and efficient state in the world has been based on the work of highly professional, diligent and innovative civil servants. The Civil Service College of Singapore offers a wide range of activities which build strategic capacity in governance, leadership, public administration and management for a networked government. The work of the public service is also assisted by the views and values of the people. “Our Singapore Conversation” was an initiative aimed at creating public dialogue on the aspirations of Singaporeans. Launched in 2012, at least 47,000 people participated in the process with over 660 dialogues organized by the OSC Secretariat, community groups and government agencies. The initiative brought out five core aspirations of citizens: Opportunities, Purpose, Assurance, Spirit and Trust.

**Towards big changes – one step at a time**

Complex systemic changes are often difficult to implement. They are most likely to succeed when the process is approached one step at a time, learning from mistakes instead of trying to plan and implement one giant reform. Gradual, i.e. evolutionary, transitions are easier to manage, and the slower pace of change also gives opponents time to adjust to the new order.

The premise of an evolutionary transition is understanding the operating environment and how it is changing. Crucial trendsetters are invited to step into a “transition arena” – a safe and facilitated environment – where they can formulate a common vision and a roadmap for achieving it in. The chosen solutions are tested, and lessons are learned from small-scale tangible experiments. The most successful solutions can spread wider if all those involved commit themselves to their development, dissemination and implementation.
From principles to practice

This working paper sets out six principles for building a sustainable well-being society:

1. Addressing well-being in a holistic way
2. Adjusting to planetary boundaries
3. Empowering individuals and communities
4. Moving to a regenerative and collaborative economy
5. Building competencies for a complex world
6. Developing inclusive and adaptive governance

These six principles reflect how ways of thinking and doing must be changed in developed Western countries. Implementing these will increase societies' resilience, i.e. their ability to use sudden changes as sources of new learning and strength, which can be seen as a cross-cutting goal that connects all the other principles.

Work as a source of sustainable well-being

Understanding the links between work, income and well-being in a new way

Economic structures and established operating models have become under pressure in all developed Western countries. Fundamental changes are needed, and adapting to these will also have an impact on work life. Industrial production is moving to cheaper countries, and the work previously carried out by the middle classes is increasingly being replaced by computers and digitalised services. Future economies may not offer as many jobs to people as before.

Our traditional materialistic labour market model is coming apart at the seams. As the focus shifts to intangible well-being, the need for meaningful work and self-expression becomes more important. This makes work itself – and not just its monetary rewards – an important source of well-being for individuals.

Our choice of career will be increasingly influenced by our personal values. More and more of us will begin to think about our career choices from perspectives such as the environment. Energy-efficient offices and environmentally friendly procedures in areas such as work-related travel represent ways for businesses to stand out when competing for skilled labour.

From the perspective of the welfare state, work is an important source of tax revenue, which is needed to fund the public services. However, the impact of work on our national economy must be understood more broadly. The possibility of working and engaging in meaningful activities must be seen as a source of well-being in itself and as an investment that builds our society’s social and human capital. Motivated workers are more productive, which is especially evident in expert level work.

As work becomes more and more intertwined with personal well-being, meaningful work must be divided much more equally across society than it is now.
Recognising alternative ways of making a living

The current strictly-regulated system of employment is giving way to a new, broader concept of work. This has implications on all levels of the hierarchy – individual workers, work communities and the whole labour market system.

International competition will be increasingly based on the performance of individuals. This is why vast collective agreements are being replaced by workspace-specific contracts and personalised solutions concerning working hours, salaries and other arrangements. These increase workers’ freedom but also blur the line between working hours and leisure, which can make it more difficult for individuals to maintain a healthy work-life balance.

Work communities break down into segments, which can be outsourced flexibly. Instead of communities that centre on a specific workplace or profession, new kinds of networks are forming. In the future, many work communities will be networks of self-employed professionals from different fields, who work with similar subjects, with shared goals, supporting each other. Both employers and social partners will need to adapt to the changing contexts of work life, while workers need to think about which communities they want to be part of.

Job security and livelihood will no longer be maintained by the old infrastructure. The line between salaried employees and entrepreneurs will fade, atypical employment relationships will become the norm, and there will be multiple forms of self-employment available. The infrastructure and rules that were created to protect workers in a society of employees will lose their meaning. People’s faith in the labour market system will crumble if the rules are not rewritten to take into account the growing number of people who earn their living by unconventional means.

The labour market and income support system needs to be reformed so as to recognise that periods of employment, studying and unemployment in people’s lives no longer take place one after another but can also happen concurrently. The system also needs to bridge the gap between those who have a job and those who are unemployed by making different forms of work worth pursuing.

The labour market’s current rigid infrastructure and practices as well as its increasing multidimensionality call for innovative governance models that are based on developing new practices together and with an experimental touch. Experimental development allows inflexibilities to be removed by identifying, testing and disseminating best practices.

Work life skills for people of all ages

In order to be able to navigate the new work life, people need lifelong learning, networking and better life management skills. The faster technology develops, the more difficult it is for training programmes and employers to keep up with what skills are needed in work life. The more unpredictable work life becomes, the more prepared individuals must be to follow work to new areas, learn new skills or retrain for a completely new profession.

This makes learning skills critical to success. The education system therefore needs to evolve: instead of teaching absolute truths, more attention needs to be given to learners’ ability to apply know-how and their problem-solving skills. This will also help the education system to identify and support individuals with special talents. Teaching skills to better tolerate changes and the uncertainty of work life needs to be integrated into all levels of education.

The income support system needs to encourage lifelong learning by providing incentives for retraining for a new profession even towards the end of people’s careers if there is no longer demand for their existing know-how. Maintaining and supplementing know-how must also be made financially viable and attractive to individuals whose income originates from multiple different sources.

As it is becoming more and more common for a single working career to consist of several different forms of employment and multiple professions, the ability to grasp new opportunities grows increasingly vital. Demonstrable skills become more important than professional diplomas; a degree is no longer enough as competition in the labour market intensifies. In a way, this makes work life more equitable: in addition to education, recognition is also given to different forms of on-the-job learning.

The focus in work communities is shifting from hierarchical leadership to independent teams and from external performance indicators to internal sources of motivation. This gives individual workers more freedom to organise their work but also more responsibility for their own performance. With experimental development, workers also evolve from subordinates to active developers of work life.
Consumption habits and lifestyles to support sustainable well-being

Awareness and skills for a cultural revolution

The wealth and materialistic well-being of most Western societies have grown steadily since the Second World War. Despite this, well-being problems have not decreased especially in the last few decades. Global environmental issues and the unsustainable use of natural resources also show that our consumption habits and lifestyles must change radically in order for us to be able to live well without exceeding the Earth’s carrying capacity.

The current culture of consumerism encourages people to make choices that bring them momentary satisfaction but that are harmful to the physical or mental well-being of individuals as well as the sustainability of society and the environment in the long term. Making sustainable choices is difficult for individual consumers due to the range of options, conflicting information, the many sources of temptations and the complex production processes of goods and services.

The transition towards a more sustainable society ultimately depends on our ability to rethink our cultural ideologies, values and norms. A culture that values sustainability makes it easier for individuals to change their lifestyles, decision-makers to introduce policies that support sustainability and businesses to bring out products that increase well-being.

Creating a culture of more sustainable consumption habits and lifestyles is an urgent task and vital for improving the resilience of individuals and societies. The learning needed to bring about these changes can be accelerated. Increasing people’s self-awareness so that they have a realistic understanding of their own needs and priorities can encourage them to adopt more sustainable lifestyles. Broad-based general knowledge helps individuals to better understand the consequences of their daily choices. A cultural reform requires not just better choices from individuals but also community-based learning where people have an opportunity to share their values and ideologies.

One Planet Living – learning to live within the Earth’s carrying capacity

One Planet Living is a network aimed at helping individuals and organisations to learn to live within the Earth’s carrying capacity. The One Planet Living website lists 10 guiding principles for sustainable life and provides tangible tools for both consumers and businesses to make their actions more sustainable. For example, the website features a carbon footprint calculator, which can be used as a basis for producing a personalised plan for cutting emissions. Hundreds of organisations from around the world have already joined the network.

Infrastructure for supporting sustainable lifestyles

Knowledge of an act’s harmfulness is rarely enough to make individuals change their behaviour. Scaremongering about consequences is also generally unsuccessful. The answer lies in understanding the motives and incentives of individuals and creating a society that promotes sustainable lifestyle choices and removes barriers to sustainable living.

Peer pressure plays an important role in promoting sustainable lifestyles. People usually want to behave in the same way as others who are like them in order to solidify their position in a group. Sustainable choices made by one individual can also inspire others to change their behaviour. This is why sustainable lifestyle choices of pioneering individuals should be supported, however utopian they may seem.

Choices that increase well-being must be attractive and readily available. Examples of how society and its infrastructure can steer people’s daily choices include good cycling routes and efficient public transport, exercise vouchers provided by employers, prominent displays of healthy...
Society’s infrastructure and political decisions have a big impact on the choices that people make in their daily lives. Legislation is a powerful tool for influencing people’s behaviour, as recycling obligations and smoking bans in public places have already shown. Shifting the priorities of taxation and financial incentives can also be used to promote the transition towards more sustainable lifestyles. For example, the prices of products that are harmful to the environment or unhealthy can be raised by implementing an ecological tax reform and imposing a high tax on unhealthy products. This can steer consumers toward making more sustainable choices.

Promoting sustainable lifestyle choices is also a major opportunity for businesses. Examples of products and services that support sustainable lifestyles include electronic applications that allow people to monitor their own health and construction services aimed at improving the energy-efficiency of homes. Intelligent energy and transport systems can also be built to support sustainable consumption habits and lifestyles. Taking consumers’ different personal needs into account in the development of new products and services can increase both well-being and resource efficiency.

Peloton – a fearless approach to sustainable lifestyles

Peloton (“Fearless” in Finnish) is both a bold way of thinking and a strategy aimed at helping businesses in the consumer market to turn the scarcity of natural resources and climate change into a competitive advantage for themselves. By using gatekeeper analyses the strategy helps businesses to identify within corporations the key professionals with potential capabilities of combining sustainability, user-centrism and innovation as well as embedding them as part of job descriptions. Peloton also includes a peer-incubator club for start-up companies, where change is made by a dynamic and open community of entrepreneurs. Peloton is coordinated by the think tank Demos Helsinki.

Making use of the best practices of collaborative consumption

Instead of ownership, more and more people today want to have access to goods and services when they actually need them. Collaborative consumption refers to a sharing economy where people borrow, exchange, rent, recycle and produce goods, ideas and skills among each other. In a sharing economy, resources are always used in the most efficient way possible, and there is less and less need to produce new things. This allows society to reduce the consumption of natural resources and energy without forcing people to compromise on their standard of living. Collaborative consumption also promotes the transition from industrial production to a service economy.

Collaborative consumption solutions are usually based on the Internet, which brings together voluntary networks or people who did not know each other before. It can therefore increase the level of trust in society, promote community spirit and therefore increase the intangible well-being of individuals and their resilience in crisis situations.

Coordinating and scaling activities related to collaborative consumption offers substantial opportunities for businesses. Collaborative consumption only represents a small percentage of the total volume of our economy, but the fact that businesses such as Airbnb and Uber are already worth billions shows that its importance is increasing.

Collaborative consumption presents many opportunities for promoting ecological, environmental and social sustainability. However, realising these potentials depends on how the activities are integrated to the rest of society. In many countries, the spreading of collaborative consumption is effected by regulations on taxation, fund raising, employer rights, copyrights, transport, premises, construction and housing.

Some of the regulations are rigid and outdated, whereas some protect citizens from the potential uncontrollable or negative impacts of the new practices. Many established businesses also continue to defend their interests and object to collaborative consumption.

Collaborative consumption has so many potential benefits and its growth is so obvious that it would be unwise for the public sector not to get involved. Decision-makers should open-mindedly evaluate the advantages and disadvantages of different forms of collaborative consumption, and boldly clarify societal regulation and create favourable conditions in order to scale up best practices and limit potential negative impacts.
Sustainable well-being implies comprehensive social and health care services

**Comprehensive and forward-thinking well-being**

The provision of social and health care services has become the most important way in which welfare states look after the well-being of their citizens. Social and health care services typically focus on ensuring materialistic well-being, health and security and removing social problems after they have already emerged. The increasing demand for these services resulting from the ageing of the post-war generation and the poor productivity of welfare services threaten to make the current model of reactive and production-centred services extremely expensive.

If our goal is to live happier, healthier, longer lives, we need to not only focus on solving existing problems but increasingly focus on preventing them and generating well-being. Social and health care services must not be seen as an unavoidable cost but as a long-term investment in the future of the sustainable well-being society. From this perspective, investing in the well-being of children and young people is especially important.

Our views on the sources of well-being and our needs are changing. Health primarily stems from genetic factors and lifestyle choices, not from health care services. The relative importance of needs relating to people’s intangible well-being and human interaction has increased as life has become more complicated and local communities grown weaker. Needs relating to social inclusion and coping mechanisms, for example, have increased. People are also increasingly interested in the effects of our natural environment and natural products on health and well-being.

Social and health care services need to be seen from a wider perspective that takes into account genetics, lifestyle choices, physical and mental well-being and interaction between people and their living environments. Services built from this premise will be very different from the ones we have today. The issue goes deeper than just reforming the existing service system; the change requires more constructive dialogue about new and alternative ways to promote health and well-being. We also need in-depth debate about what kind of social value we want our society to generate.

**Well-being advice for families in Finland**

Psychosocial problems experienced by children and young people increase their risk of becoming excluded from society. A concept based on providing well-being advice for families is being pioneered in the Town of Imatra in Eastern Finland from the premise that concerns over a child are best addressed by supporting the entire family. The service is designed for customers such as overwhelmed mothers, uncertain young parents and families whose children are displaying challenging behaviour. The service is voluntary, which makes it more appealing to potential customers. The case workers usually meet with customers in their homes. Thanks to the new operating model, the costs incurred by the Town of Imatra from having to respond to domestic disturbances have dropped, the number of young children among the customers of child welfare services has decreased, and queues to family counselling have been almost eliminated.

**Services for promoting volunteering and community-based activities**

As sophisticated information systems and health technology, such as smartphone applications and genome mapping, become part of our daily lives, more and more health information will become available to everyone. People will be able to, and will want to, take care of their routine health problems themselves. Customers take on a more active role, and their well-being needs will challenge the established role of experts. For example, physicians will become increasingly like consultants who help people to build and develop their personal health systems.
Future social services will also focus more on each individual’s ability to look after their own well-being, but even more attention will be given to building communities that help people overcome challenges in their daily lives. The importance of family and friends and peer-to-peer networks will increase. Well-being services also need to be developed keeping in mind what kind of value they add and whether they encourage people to be more independent or cause them to become even more passive.

These changes in technology, the role of customers and the importance of communities create conditions for a more versatile network of solutions and services. Individuals can build their own well-being systems which can comprise a wide range of activities, resources, partners and services. These personal well-being systems will help people to promote their own well-being and the well-being of their families comprehensively and to act increasingly as equals with professionals in social and health services. This means that professionals will need to be able to recognise and deal with different kinds of customers. As people’s needs change, new business ecosystems will also emerge around existing services.

Personal well-being systems create flexibility, which will make people better able to adapt to changes in their lives. This will also make people’s ability to handle complex information, manage their lives better and read their environments more important. These developments will create challenges for the education system, electronic identification protocols and information security as well as the user-friendliness of information systems and well-being applications. Peer support and access to information technology will reduce customers’ need to be physically close to service providers, which will increase both well-being and resource efficiency.

From sub-optimisation to personalised solutions and dynamic infrastructure

Social and health care services have been traditionally developed as separate systems. Income support and employment services also operate in their own silos: most individuals are either working or on benefits, and access to health care services often depends on people’s position in the labour market. The current social and health care system is characterised by sub-optimisation, as each funding party aims to achieve operating conditions that are optimal from their perspective, and no one bears overall responsibility for funding, the quality of service or effectiveness.

Customers have been traditionally seen as subjects of welfare services who must be satisfied with the information and services that they are given. Efforts to ensure equal access to services have been based on mass-customised solutions targeted at rigidly defined demographic groups. As the age structure of our society is rapidly changing, an individual’s chronological age is becoming less and less indicative of his or her functionality and needs. Children and young people as well as many special groups are also becoming increasingly heterogeneous in term of their needs.

In the future, our society’s well-being services need to be more customer-orientated and more personalised, and citizens must be given more choice. The customisation of services will help to prevent problems and target services expeditiously, which will make their benefits outweigh their costs in the long term. Taking personal needs into account is especially important in the case of individuals who are having trouble coping. One way to make services both more personalised and more equitable is to tie funding to the customer instead of the service provider. This forces service providers to take more of an interest in their customers’ needs and gives citizens a wider choice of service providers. Another way is to give people ownership of their own patient records and customer data.

Social service and health care costs are currently attributable to a relatively small percentage of the population, most of whom are customers of both sectors. In order to ensure the cost-effectiveness of service provision and promote comprehensive well-being, we need a system that integrates social and health care services but is not limited to them. What we need are day-to-day practices that take into account the needs of different customers. However, this may require multidisciplinary development work, cooperation across administrative boundaries and information systems, as well as systemic reforms.

Providers of well-being services also need to move away from production-orientated and system-centred development and adopt a more experimental approach, which will also create opportunities for small businesses and start-ups. This requires open system interfaces, more dialogue between customers and service providers, extensive international networks for identifying successful operating models as well as tools for disseminating best practices arising from experiments and networks more boldly.

Virtual clinics – access to services regardless of time and place

Virtual clinics are electronic service channels that allow health symptoms to be assessed more quickly to find the right service provider. Virtual clinics provide reliable health information and user-friendly tools for staying healthy. They guide people to produce a provisional assessment of their own health, making use of health information collected by the patients themselves and data contained in patient information systems. The virtual clinic model developed by Sitra and its partners gives people an opportunity to play an active role in promoting and planning their own health in collaboration with health care professionals.
School as an engine to achieve a sustainable well-being society

Clarity for the school’s purpose

The future success of Western countries relies on their inhabitants’ creativity in utilizing their knowledge and skills. The core structure of school has remained relatively unchanged since its establishment in the industrial era even though the surrounding society is changing at accelerating speed. School is constantly being developed in a multitude of separated projects but what we lack is one shared vision of the future education system. What is school’s purpose today and what should it be tomorrow?

Besides family, school is a central educator of the young person and should therefore support his or her personal growth, holistic well-being and life management skills. By offering tools for amassing a broad all-round education and by supporting the youth’s abilities to identify their strengths, dreams and possibilities school helps one to understand the complex world and one’s place in it. In the future more and more of us will need to create our vocations from the ground up, so knowing your own strengths, self-management and an entrepreneurial spirit will prove to be useful skills.

The complex world’s interdependent phenomena do not respect the subject division on which we have organized learning. By observing the world through broad phenomena such as the climate change, instead of separated theoretical subjects, the children learn to understand that the environment, economy and well-being are unavoidably interlinked.

Schools need to promote sustainable well-being by example. Using materials more effectively, recycling, moving to digital teaching materials, using energy in a sensible way and decreasing the amount of waste food are concrete ways to teach how to better live within planetary boundaries. Schools may have their own sharing economy networks within which students can exchange clothes, games and other resources.

Many important social skills are learned at school and a culture of mutual respect is being built together with the pupils where bullying is not tolerated. Supporting youth’s holistic well-being increases their ability to rebound after the many crises growing up brings about.

The school can also have an important impact on the learner’s physical well-being by serving healthy meals and offering adequate possibilities for physical exercise. In addition, the built environment of the school and its surroundings may support a physically active lifestyle: Pupils need not to be stuck between the desk and a chair and a part of the learning may happen in the midst of an outdoor game or in the forest nearby.

The Harlem Children’s Zone pursues a stewardship approach to education

The Harlem Children’s Zone is a holistic approach to education that provides wrap-around services to children and young adults. At its core are schools, but they are understood to be just one part of a broader ecosystem that includes health, social services and community development programs that target not just children but also the adults in their families. The goal is to steward kids into college and successful careers and in the process, improve the wellbeing of families and by extension, the community. The efforts is being piloted across the US and while the results will take time to realize, the early signs are promising.
**School to inspire learning – everywhere and throughout life**

The aim of school has been to bring everyone’s skills and knowledge to the same level. In order to let every pupil’s potential to flourish, school has to better embrace the diversity between individuals and see diversity as an asset in a complex world. The future school has to answer the needs of an increasingly complex and global world and raise youth to deal with changing backgrounds. Instead of studying theory alone, learning happens by experiencing together. The problem to be solved is outlined together and knowledge is gathered by collaborative and work in networks with people from different backgrounds. With the internet and communication technologies we can learn anywhere, anywhere, with anyone. Technology will change the teacher’s role from a transmitter of knowledge into a facilitator of knowledge creation. It also enables the teachers’ time to be freed for other tasks that support a student’s growth and learning.

With the help of technology it is easy to gather detailed knowledge of the student’s knowledge and to tailor content to be taught accordingly. The more advanced pupils would be given more challenging tasks and the less successful children would get the support they need. Everyone can learn with methods that best suit them and the division of study groups needs not always to be based on age. Learning can happen through themes of personal interest which is very motivating for the learner.

Instead of transmitting facts, the school should feed curious minds and teach how to learn - how to critically search, select and structure knowledge, throughout one’s entire life. Basic education lays the foundations, motivation and skills for lifelong learning. Informal learning outside the school walls occurs all the time and in the future school it will be understood to complete the official curriculum.

### Building an agile and collaborative school system

A large majority of schools are public buildings that can still be found from most localities. In the future, school buildings will no longer remain empty in the afternoons after classes have finished. Instead they become communal spaces where people from all generations can gather to enjoy various services from libraries to cafes, family centres and band rehearsal spaces.

Companies and organizations tap into the knowledge and enthusiasm residing in schools by giving students practical challenges to solve. That way students learn concrete things that are useful for their future life and careers while organizations get fresh, new ideas and make themselves known among their possible future employees.

The schools’ structures, incentives and culture need to inspire the entire school community to develop the education system in line with the rapidly changing world. Today a multitude of separate projects and partial reforms are underway in the education field. However, no one seems to have an overall view of the field, so that best practices are rarely scaled or transmitted resulting in one-time solutions and local impact only.

The society needs a platform for developing the school system in ways that cut through the silos of the education field and school administration. The participants would be encouraged to debate the ultimate purpose and aim of education in today’s society. A shared goal would release tensions and silos in the education field and make it more agile. The long-term aim would then be pursued step by step by using concrete experiments. The experiments function as a tool for quickly testing the chosen direction in real life contexts. Learnings from the experiments can then be used to mould existing plans to better answer the true needs in the field.

Young people also must participate in decision-making around practical everyday matters concerning their daily life in the school. They need to have a true possibility to have a say in the school administration. Thus they will grow to be active citizens who know that they can have an influence on matters affecting their lives.

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**Lumiar schools in Brazil foster an active role of the students**

Lumiar schools in Brazil’s Sao Paolo emphasize the learners’ active role in the learning process and the school community. Instead of teachers, tutors provide holistic support to students in learning projects that are planned and coordinated by specialized experts. The projects are based on topics that are interesting to the students and regarded as relevant by the tutors. Thus the students’ changing competencies, skills and interests are well acknowledged. Children study in multi-aged groups so they can also learn from each other. All learners, tutors and employees attend a weekly meeting where possible challenges and ideas for developing the school are discussed together. The curriculum is also co-created and constantly updated together with the students.
Sitrams – In search of strategies for the future

**THE REPEATED THEMES** of public discourse – growth, employment and public debt – are seeking answers to what we should be doing right now. However, the worse the problems are, and the more long-standing the need for change is, the greater the need is for a long-term, strategic approach to decision-making.

This paper is part of a longer term commitment of Sitra to promote such an approach. As a future-oriented organization, Sitra aims to build a vision of and principles leading to sustainable well-being societies, and to pilot the approach in its practical transition work, together with other actors across society.

Sitra’s first report on the principles of sustainable well-being was published in spring 2013 (Hämäläinen 2013). Already with this first paper, we intended to initiate meaningful dialogue with other advanced Western societies on building a more sustainable future. Certain ideas presented in the paper might be of interest to even wider audiences around the world.

The paper now at hand represents an update (version 2.0) of our current understanding of the subject. Along with our evolving understanding of prominent future directions, gained via foresight, research, experiments and societal dialogue, Sitra intends to publish new and updated versions of this discussion paper, along with more specialised studies on its core ideas.

Sitra is an independent think-and-do tank supervised by the Finnish parliament that operates on the yields of its endowment capital. According to the Sitra law, Sitra promotes stable and balanced development, qualitative and quantitative economic growth, and international competitiveness and cooperation of Finland.