Wellbeing Economy and Futures Thinking:

A Framework for Long-Term Policy

soif.global September 2026

SOIF
School of International Futures

Contents

The world faces compounding crises – climate breakdown, technological disruption, rising inequality, eroding trust in public institutions.

These are not accidents; they are predictable outcomes of systems that prioritise short-term value extraction and concentrate wealth and power. At the same time, there is a growing public appetite for structural reform, a diminishing social licence for vested interests, and genuine openness to alternatives. The recent UN Declaration on Future Generations, adopted by 193 countries, the establishment of the UN High Level Expert Group on Beyond GDP, and the fact that over 70% of OECD nations now have multidimensional wellbeing measures and/or frameworks, signals that the goal of wellbeing for current and future generations is increasingly mainstream.

This moment presents a significant opportunity. A set of distinct but complementary policy movements – **the future generations movement and futures and foresight thinking, and the wellbeing economy movement and wellbeing approaches** – are well-positioned to guide that transformation. Each has developed sophisticated tools, frameworks, and communities of practice. Each is vital for delivering wellbeing that is sustainably maintained over time. This paper aims to act as a primer for policymakers on these movements and the advantages of bringing them together.

The paper then turns its attention to how the complementary approaches at the core of these movements can be practically implemented. Despite growing international recognition of these four movements, a persistent implementation gap remains. Many governments now have wellbeing frameworks, long-term strategies, climate commitments, or future generations commitments, but these ambitions often struggle to influence everyday decisions about spending, regulation, infrastructure, taxation, and service delivery. The challenge is no longer establishing why long-term and wellbeing thinking matters. The challenge is embedding it into the machinery of government so that it shapes decisions consistently across electoral cycles and changing political priorities.

Wellbeing economy and futures perspectives: An introduction

This paper focuses on four distinct but complementary movements all of which speak to the same fundamental questions: What is the future that we want to create together, and how do we, as a society, shape that future?

The **future generations** movement requires that decisions take account of the long term. It contends that analysis must be aimed at shaping a sustainable and equitable future, and rooted in intergenerational fairness, always taking account of the needs and interests of future generations.[1]

Futures and foresight approaches equip decision-makers with tools to navigate uncertainty: scenario modelling, backcasting, trend analysis, and participatory simulation. It builds institutional resilience and enables strategy to be directed toward meaningful long-term goals, with an increasing focus on intergenerational fairness.[2]

The **wellbeing economy** movement advocates for an economic system under which the economy serves the needs of people and the natural environment (not the other way around). It rejects the idea of economic growth as an end in itself and instead focuses on what activities are needed for people and planet to flourish. It asks how the rules, norms and incentives that shape the economy can be deployed for transition into an economic system that delivers sustainable wellbeing for all.[3] A wellbeing economy offers an alternative – not simply a more redistributive government or better public services within the same economic system, but transformative change in the wider economic paradigms.

1 United Nations (2024), Pact for the Future and Declaration on Future Generations.
European Union (2026), European Commission Strategy on Intergenerational Fairness.

2 School of International Futures (2021), Features of effective systemic foresight in governments around the world.
World Economic Forum (2026), Intergenerational Foresight: An Approach for Long-Term Responsibility in Governance.
OECD (2025), Foresight Toolkit for Resilient Public Policy: A Comprehensive Foresight Methodology to Support Sustainable and Future-Ready Public Policy, OECD Publishing.

3 Wellbeing Economy Alliance (WEAll) (2022), What is a Wellbeing Economy?
Trebeck, K., & Smith, W. (2024). The wellbeing economy in brief, The Centre for Policy Development.
McCartney, G., Büchs, M., Hensher, M., & Mazzei, M. (2025). What is a Wellbeing Economy, and what might its impact be on population health?. The Lancet Public Health, 10(10).

A **wellbeing approach** focuses on having wellbeing drive decision-making (typically focusing on government decision-making), enabled by a focus on prevention, participation, long-term thinking, collaboration, and holistic consideration of the components of wellbeing (rather than focusing on one at the expense of others).[4] This approach translates these principles into institutional practice via tools such as multidimensional indicators, preventative budget frameworks, cross-government collaboration, and statutory duties to consider long-term impacts.[5]

The greatest progress will be made when the component parts of futures and wellbeing movements are aligned and mutually supportive.

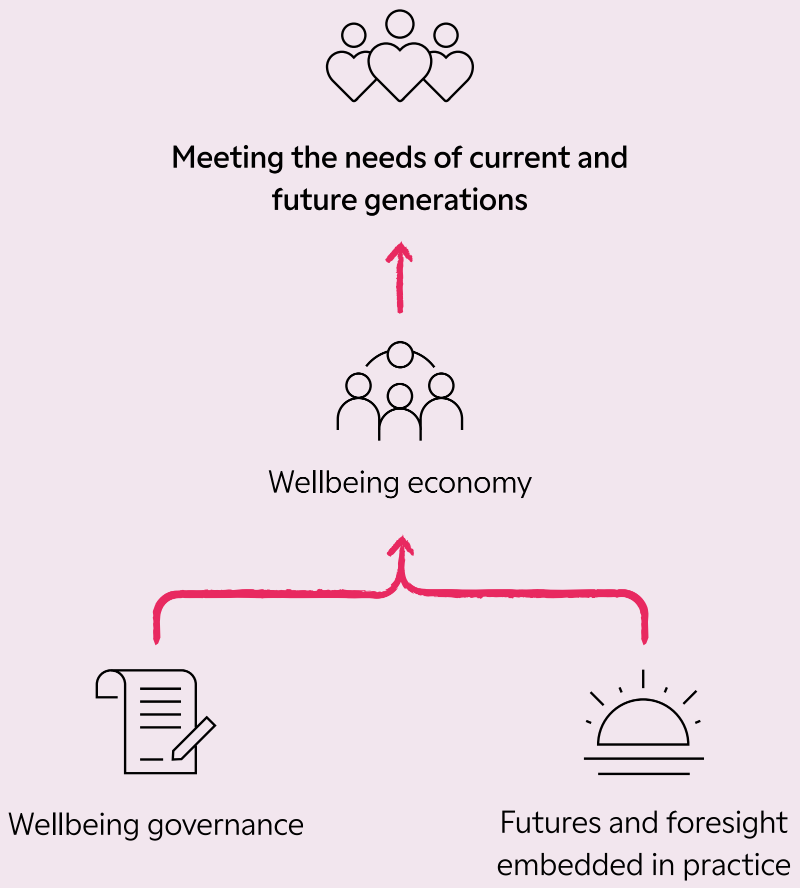
At a macro level, building a wellbeing economy is a necessary precondition for the flourishing of future generations. At the same time, the movement to a wellbeing economy requires both wellbeing governance to harness policy instruments in steering public institutions and economic activity, alongside the embedding of foresight capabilities to enable resilience and responsiveness to risk and contextual change.

At a micro level, futures thinking cannot shape the future we need without being anchored in purpose: planet. Achieving this purpose necessarily requires moving to an economic system that directly serves people and planet. Even the goal of intergenerational fairness can flounder when a narrow interpretation of the needs of future generations is applied. For example, when the interests of future generations are only couched in terms of traditional economic indicators, this leads to the under-valuation and neglect of elements essential for long-term wellbeing. Campaigns to increase productivity, for example, supposedly in the interests of future generations, often push to reduce regulatory burdens that protect areas vital for future wellbeing such as the environment, safety, health, and human and social capital.[6]

4 'Wellbeing' in this context is typically (but not always) used to refer to long-term wellbeing (the wellbeing of current and future generations) and multi-dimensional wellbeing (understood as capturing the elements needed in order to live a good life such as a base level of prosperity, health, social connection, equality, thriving natural environment, education, leisure time and culture).

5 Gaukroger, C., Ampofo, A., Kitt, F., Phillips, T., & Smith, W. (2022). Redefining progress, the Centre for Policy Development
Trebeck, K., & Smith, W. (2024). The wellbeing economy in brief, The Centre for Policy Development.

6 Whitby, A., Seaford, C., & Berry, C. (2014). BRAINPOoL project final report: Beyond GDP—From measurement to politics and policy. BRAINPOoL deliverable, 5.



Wellbeing approaches to government can sometimes become trapped in a loop of focusing on comparing the small differences in wellbeing generated by policies that do not offer alternatives to our current economic and policy landscape. Futures and wellbeing economy perspectives can help lift the gaze of policymakers in these situations by exposing alternative futures and expanding the range of choices considered possible. Futures thinking can also highlight the conditions that indicate the ever-increasing urgency of moving to a wellbeing economy. Rapidly aging populations across the Global North, for example, are creating economic challenges that growth-based economies are simply unable to handle[7]. These trends highlight an important area of focus for future generations and wellbeing approaches, while also contributing to a further compelling case for moving to a wellbeing economy.

Bringing wellbeing (both governance and economy) and futures approaches together is not simply about combining ideas. It is about creating governance systems capable of consistently translating long-term goals into present day decisions. Success depends on institutionalising long-term thinking through laws, budgets and fiscal levers, accountability mechanisms, organisational capabilities, and decision-making processes that endure beyond individual political cycles.

7 Porter, E. (19 April 2026). Falling fertility, debt and AI: is the US headed toward a population crisis?. The Guardian: https://www.theguardian.com/business/2026/apr/19/us-population-fertility-rate

Guiding principles

From these four movements emerge a set of principles that are essential for driving progress towards the shared goal of a system that fosters the wellbeing of current and future generations. These common-sense principles focus on overcoming short-termism, cycles of crisis-management, and rigid, top-down decision-making:

Long-termism and consideration of future generations

This includes both recognising our duties to future generations, and that the consequences of the decisions we make now, both good and bad, often amplify over time. This does not mean that the future can be predicted with certainty, but rather that governments must be thinking and planning well into the future while building in adaptive governance: capable of learning, adapting and responding to changing conditions. Long-term governance requires not only clear goals, but the ability to monitor emerging trends, test assumptions, evaluate outcomes, and adjust course when circumstances change.

Emphasising prevention

Getting prevention right requires looking a long way back and a long way forward. A central tenet of wellbeing economy thinking is the idea of going 'upstream' to understand the root causes of the problems we are currently facing. This enables interventions that stop problems occurring in the first place, rather than crisis management, and broadens the set of interventions available: for example, a strategy to address the immediate challenges of housing insecurity which only looks at why it is hard for people right now to access housing stock will look very different to a strategy that sees the root problem as intergenerational inequity and the historical concentration of wealth amongst a shrinking property-owning class. Applying foresight is an essential pre-condition to preventing future problems – only fixing problems for how they present now risks failing to identify the right things to prevent in the future. To do long-term prevention there needs to be understanding of the range of trends, scenarios and disruptions and how they might manifest and change in the future.

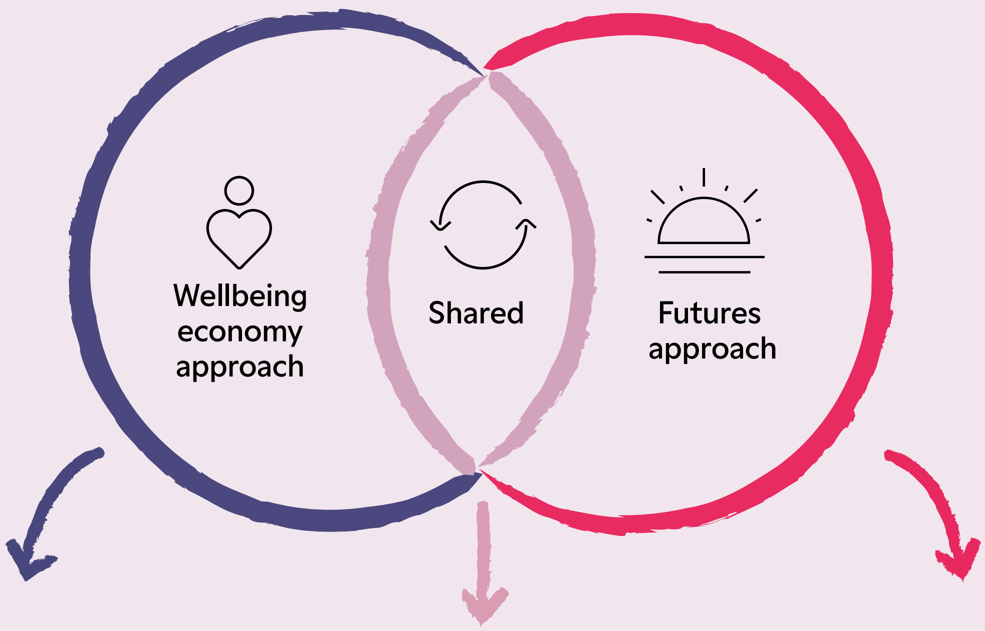
Representation and meaningful participation

Democratic empowerment is both important for driving interventions that improve wellbeing and is itself a component of wellbeing. However, currently there are scarce opportunities for citizens to make decisions about their own futures. Involvement and participation build trust in institutions and support the longevity of interventions, both of which are needed to maintain commitment to long-term strategies when results can take a long time to become visible. In terms of understanding the future, narrow approaches which involve only one world view or a small set of stakeholders or data are unlikely to surface broader signals in a system where things might be changing.

Taking a holistic approach

Holistic thinking is vital to address long-term challenges, and develop effective long-term strategies. Long-term thinking cannot get us to the wellbeing of future generations without understanding how components of wellbeing depend on one another. Calls for intergenerational equity, for example, that focus primarily on concerns about government debt, may come at the expense of investing in public services, or preventing the worst impacts of climate change.

The key points of convergence between wellbeing economy and futures approaches.



Wellbeing economy approach

Pre-distribution
Redesign who gets what

Beyond-GDP purpose
Economy serves wellbeing

Holistic thinking
Consider all wellbeing dimensions; maximise co-benefits

Shared

Long-termism
Invest and design for the long-term

Prevention
Avoid problems before they occur

Participation & representation
People are involved in decisions and agenda-setting

Intergenerational stewardship
Protect the interests of future generations

Futures approach

Scenario modelling
Anticipate uncertainty

Backcasting
Work back from future

Resilience-building
Prepare institutions

Transforming the system

Wide networks of governments, civil society organisations, and global organisations are already considering or actively deploying futures, future gens and/or wellbeing and wellbeing economy approaches.

However, while many of the challenges are urgent and the stakes are high, their capacity to make progress has often been limited. External challenges such as low levels of available resources and countervailing forces that individual actors or institutions cannot tackle alone combine with internal limitations such as an asymmetrical understanding of the systems they are trying to influence, risk-aversion, or simply not knowing where to start.[8]

There has been significant movement in governments trying to adopt wellbeing approaches. However, the vast majority of these efforts have focused on 'system-compliant fixes': policies or policy tools that are fitted into economic systems that are inequitable and unsustainable by design, which explains why only limited progress has been made, despite the widespread nature of these efforts.[9] Alongside this, progress is often stymied by the very thing that it would help to solve – the constant response to multiple intersecting crises – many of which could have been avoided if long-term, preventative, citizen-centred, holistic responses had been deployed ten, twenty or thirty years ago.

The building of foresight capacity by governments has similarly been increasing, but it is often limited in its scope – focusing on identifying risks to existing plans rather than questioning whether those plans, assumptions and systems remain desirable. Further, political and administrative systems tend to reward responding visibly to immediate problems more than preventing problems that may arise beyond current electoral, spending or organisational cycles. Governments may produce high-quality horizon scans, scenarios and long-term strategies without those insights changing budgets, regulation or policy choices. This leads to foresight often remaining an interesting exercise sitting alongside, rather than inside, the machinery of decision-making.[10]

8 Trebeck, K. (2024). Getting wellbeing economy ideas on the policy table: Theory, reality, pushback and next steps. The Club of Rome.
9 United Nations (2025). The Sustainable Development Goals Report 2025.
10 Jackson A., Fernández, F., Tully, C. Z. & Howe, S. (2024). Working for the Wellbeing of Current and Future Generations: Learning from in-country innovations and building a global community for change. School of International Futures.

Katherine Trebeck's Club of Rome report "Getting wellbeing economy ideas on the policy table: Theory, reality, pushback and next steps" identifies the following barriers to efforts to transform the economic system:

- Government systems that pull towards the status quo (system inertia)
- The competition for time and attention from other, often apparently more urgent or hot, political issues (lack of bandwidth)
- The resistance and recalcitrance of those who do very well in or are simply content with the prevailing way of doing things (deliberate blockers)
- Small-scale and tentative adoption, and misuse of the agenda to carry on with business as usual (weak implementation and co-option)
- Lack of clarity about concepts and practical implications, and the slow emergence of benefits (confusion and impatience)
- Misalignment between the nature of system change and the actions politicians gravitate to (not giving politicians what they need)
- Insufficient groundswell beyond the active movement (inadequate support base)
- Intra-movement divisions over tactics (friendly fire)

Many of the barriers above apply equally to futures and long-term policymaking. Other barriers to embedding foresight into governments include:

- Government decision-making processes that privilege evidence derived from historical data and quantifiable outcomes (bias towards certainty)
- Isolation of foresight teams from the people making consequential decisions (compartmentalisation)
- Failure to implement the insights of foresight research into policy (foresight-to-policy gap)
- Conservative use of foresight in identifying risks to existing plans, but not questioning the desirability of those plans or exploring alternatives (limited, technocratic use)

Two vital steps for progress are agreeing on a common purpose that should drive decision-making across the system – the sustainable and long-term flourishing of current and future generations – and commitment to using the guiding principles (§2), the deployment of which can steer progress towards this purpose.[11] However, these principles are not transformative on their own – they need to be embedded into systems architecture and reform. Transformative change rarely occurs because a government publishes a strategy or adopts a set of indicators. It occurs when long-term objectives become embedded within institutional incentives, decision-making routines, accountability systems, and organisational culture. The challenge is therefore not only identifying the right principles, but ensuring that they consistently influence decisions across government and society.

While widespread communities of changemakers are already working towards the vision of a transformed future, the challenge for bringing about greater impact is to move from fragmented interventions to coherent, connected system architectures.

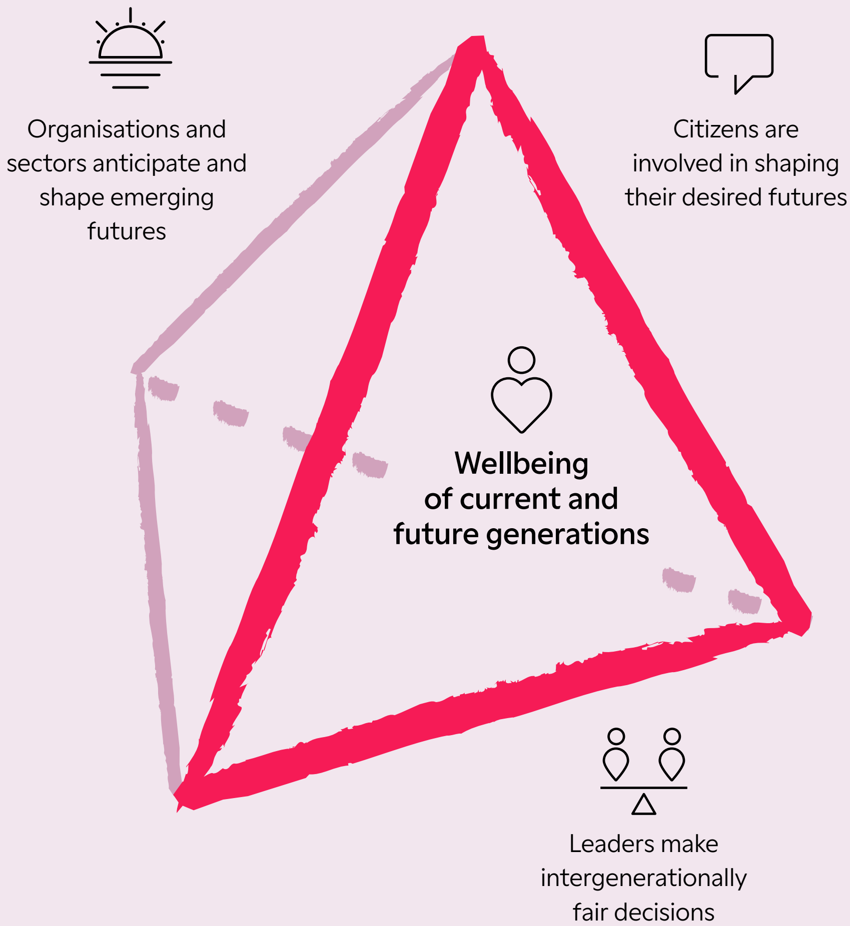
Sustainable transformation requires:

- Ensuring that existing legal and organisational structures actively support, and do not stand in the way of good practice.
- Ensuring that economic development is treated as being in service of, not competition with, social and ecological goals.
- Ensuring that there is the collective support to drive and sustain transformation.
- Ensuring that cultural change happens within and across institutions to drive discovery and delivery.

11 This combination was the starting point of Wales' Wellbeing of Future Generations Act (2015) which set its vision for the future around seven wellbeing goals, and set out five 'ways of working' that must be taken to achieve progress towards these goals. Those ways of working closely map onto the principles set out in the previous section.

The Components of a wellbeing focused and intergenerationally fair systems

Systems show signs of long term change which leads to paradigm shift on a larger scale.



Future-oriented governance also requires expanding what counts as evidence in decision-making. Historical data and economic forecasts remain important, but they should be complemented by insights from foresight exercises, scenario analysis, citizen participation, lived experience, systems mapping, and assessments of long-term and intergenerational impacts. Together these approaches provide a richer understanding of future risks and opportunities.

Building effective system transformation requires having an understanding of the system that you are working with, who is already doing this work, and where there are gaps and opportunities. The School of International Futures' Foresight Governance Prism provides a model for capturing the three fundamental pillars that are needed for effective long-term governance centred around the wellbeing of current and future generations:

Leaders make intergenerationally fair decisions designed to achieve wellbeing

Leadership that focuses on building a bipartisan wellbeing of future generations agenda, championed at the cabinet level and supported by future generations declarations and wellbeing frameworks, shaped by the people, that embed long-term visions into the national policy agenda.

Citizens are involved in shaping their desired futures

Citizens have a say about their long-term wellbeing and the wellbeing of those to come through shaping legislated wellbeing goals, engaging in intergenerational policy dialogues, and this is supported through empowerment by an economy that works for the people, not the other way around.

Organisations and sectors are prepared for the future and can design and implement policy based on wellbeing

Support for testing and learning different ways of working with opportunities for reform are embedded in organizations ranging from building longer-term and prevention focused budget processes, to breaking down institutional silos, to adopting new democratically-anchored revenue streams such as community wealth building and sovereign wealth funds.

These pillars should not be viewed as static institutional arrangements. Effective long-term governance and economic transformation depends on continuous learning. Leaders must respond to new evidence and emerging risks, organisations must adapt policies and delivery mechanisms over time, and citizens must remain involved in shaping evolving visions of the future as well as demanding action which delivers them.

Three Horizons

The 'Three Horizons' framework can illustrate a pathway for long-term, transformative change. The first horizon (H1) represents the current dominant system – the business as usual that we agree is no longer fit for purpose. The third horizon (H3) is where we want to be long-term – a future defined by ambitious wellbeing goals and new economic paradigms, and explored through futures tools. The second horizon

(H2) represents the transition activities which facilitate the shift from H1 to H3, but are not an end in themselves.

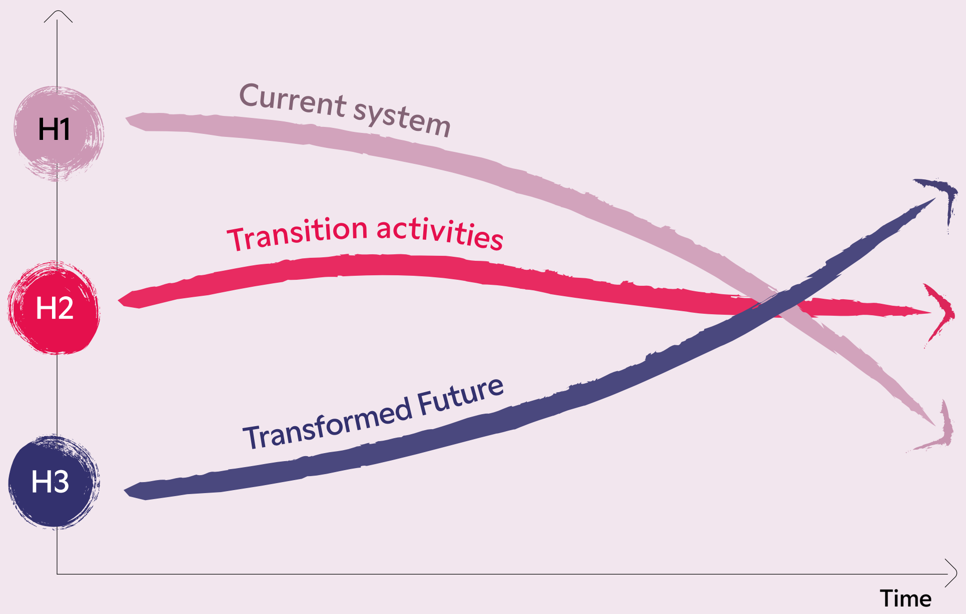
Consider housing strategy. To thrive, current and future generations need housing that is affordable and secure, designed with foresight so that it does not itself become a new problem in twenty or thirty years.

- H1: In the current system, home ownership is the province of a concentrated and shrinking wealthy class. Housing stock does not meet current or future needs of residents. Shelter represents an increasing proportion of household spending, young people are unable to afford to buy a home, and homelessness is at an unacceptable level. This is a trend that is only set to grow, exacerbating inequality, and disproportionately affecting future generations.
- H2: Steps to tackle the immediate challenges of housing include policies ranging from zoning and density reform, to investment in social housing, to vacancy taxes and property speculation taxes, and pre-approved housing 'pattern books'. These transition activities can alleviate some of the harms created by the current system, but not all will be steps towards the system that would prevent those harms from arising in the first place. Instead many are 'system compliant fixes'.[12] For example, shared equity schemes in Australia and the UK enable more first home owners to enter the property market, but they fail to address the dominance of housing as a speculative asset class.
- H3: To get to H3 societies need to tackle barriers to secure shelter – from tax reform and regulation, to governments actively providing affordable housing options, to addressing the economic and social causes of homelessness and housing instability. Importantly, the economies need to be de-coupled from property speculation.[13]

12 Trebeck, K. & Wakefield, J. (2025). The economy we could have: the economy of today, the divides it creates, and the alternatives. The Next Economy, Brisbane.
13 Ann Pettifour (2023), Housing and 'a global wall of money: Why building more homes does not solve Britain's housing crisis: https://annpettifor.substack.com/p/housing-and-a-global-wall-of-money

H3 also requires that housing stock is sustainable, resilient to climate-change, not expensive to maintain, fit for an aging population, and connected to employment, community, services and the natural environment. The beginnings of H3 can be seen in examples such as:

- Finland's drastic reduction in homelessness due to its 'housing first' model;
- Vienna's social housing system that houses roughly half the city's population, providing high-quality, permanently affordable homes;
- Singapore's universal homeownership that provides heavily subsidized housing options in comprehensively planned neighborhoods for nearly 80% of the resident population.



H1 Current system (H1)	H2 Transition activities (H2)	H3 Transformed future (H3)
Ownership for shrinking wealthy class	Zoning and density reform	Decent housing accessible to all
Young people locked out	Investment in social housing	Sustainable, climate resilient
Homelessness at unacceptable levels	Vacancy taxes, pattern books	Suitable for future demographic trajectories
	Shared equity schemes	Connected to community + nature

Systematic policy levers

Transformative change requires broadening activities that move away from the current system, including building community movements and political buy-in for change.

This must happen alongside reform across all points of existing systems: from legal duties and budget reform, to tax policy and sovereign wealth funds, to procurement and decision-making guidance.[14] This section explores examples of the kinds of policy levers that represent a good place to start. Readers should consider what kinds of reforms lie within their sphere of influence, and recognise that what success looks like will depend on the context into which they are adopted.

Importantly, the transformative potential of the policy levers explored here is dependent on their design, implementation, and interaction.[15]

The central question for the design of any policy lever is one of purpose: how will this contribute to shaping a future of wellbeing for all on a sustainable planet? The policies explored below will not simply deliver on their promise without a design process that continues to return to this purpose and is guided by the four principles that emerge from the intersection of wellbeing and futures perspectives:

- Long-termism and consideration of future generations
- Emphasising prevention
- Representation and meaningful participation
- Taking a holistic approach

For example, sovereign wealth funds (SWF's) can strengthen democratic control of financial and material resources, while converting sources of wealth into assets that benefit current and future generations. However, such funds are not necessarily democratic – this element needs to be built into their operations and governance frameworks. The fact that SWFs often derive their resources from extractive industries and fossil fuels can also put them at odds with the interests of future generations unless these features are explicitly acknowledged and addressed upfront.

14 De Schutter, O. (2026) The Roadmap for Eradicating Poverty Beyond Growth: Report of the Special Rapporteur on Extreme Poverty and Human Rights. United Nations.

15 Gaukroger, C., Koh, E., & Phillips, T. (2025). Embedding progress: how to align public institutions with a better future. The Centre for Policy Development.

Even the most promising policy interventions live and die on implementation. If institutions are not prepared to invest adequate resources in their delivery, not only can good interventions flounder, but this often contributes to scepticism about the viability and value of reform more broadly. Institutional reform is most effective when accompanied by investment in the people and cultures responsible for delivering it, and when there is recognition and involvement of those whose lives will be impacted by the policy.

The goal is not a collection of good policies but a coherent system architecture in which long-term wellbeing is consistently reinforced across policies, laws, budgets, revenue systems, institutions, and democratic processes. This requires interaction. A wellbeing framework without a reformed budget process will struggle to shape spending. A prevention-focused budget without accountability mechanisms will revert to short-termism under fiscal pressure. Tax reform without community wealth-building may shift economic incentives without shifting economic power.[16]

Finally, changemakers must resist the common trap of thinking about governance transformation as simply consisting of adding more – whether that is more spending on beneficial activities and policies, or adding more policy tools and processes. In fact, stopping or preventing harmful activities can be equally if not more vital for ensuring the wellbeing of future generations. It doesn't matter how much renewable energy infrastructure is added, for example, if there isn't a significant drop in fossil fuel use. Adding new policy tools to a crowded landscape full of policy processes that incentivise narrow and short-term thinking is likely to be far less effective than modifying or removing existing problematic features of the policy system.

16 Community wealth building involves communities having direct ownership and control of their assets as a means of transforming and democratising local economies.

Legal duties and protections

Legislative and constitutional duties, including those arising from international treaties, can be some of the most effective tools for protecting the interests of current and future generations. They can be used to ensure that long-term wellbeing is considered in policy-making, and act as a recourse in cases where obligations to future generations are being violated.

Examples of questions to consider:

- What are the existing legislative and constitutional protections for the interests of future generations and are they being fully utilised?
- What legislative reforms are available to bring in greater protections for future generations?
- Of the existing legislative landscape, are there laws or regulations (including legal duties arising from international treaties) that are acting as barriers to the protection of future generations?
- How can legislation and regulation be used to directly prohibit or reduce harmful activities?

In practice

Legislating government and public-body duties to act in the service of long-term wellbeing

- Wales' Wellbeing of Future Generations Act (2015) legally mandates that all public institutions work towards a long-term vision, decided on by the people of Wales, which is centred around the wellbeing of future generations.

Legislation to prevent harm to future generations (eg climate legislation)

- Germany's Supreme Constitutional Court in 2021, ruled that the country's climate legislation violated the rights of future generations.
- The EU has a legally binding target of climate-neutrality by 2050.

Enshrining and utilising constitutional duties to protect the interests of future generations

- In 2008 Ecuador became the first country in the world to recognise rights of nature in its constitution (Title II, Chapter 7, Articles 71–74).
- Kenya's Constitution assigns state organisations, including Parliament, the duty to protect both current and future generations (Article 42).

- Italy amended its Constitution in 2022 to require the protection of the environment, biodiversity and ecosystems "in the interest of future generations" (Articles 9 and 41). In 2024, Italy strengthened this commitment through legislation introducing the principle of intergenerational equity into public decision-making, helping to embed consideration of future generations across government.

Reform of Investor State Dispute Settlement System (ISDS)

The ISDS mechanism allows foreign investors to directly sue host governments in international courts for actions taken that investors believe violate their rights under such treaties. Concerns about the ISDS model include the fact that it often prevents countries from taking regulatory action on issues such as climate change and human rights protections due to the threat of being sued by foreign investors, limiting governments' ability to legislate in the public interest.[17]

- International responses include writing tighter treaties, with many countries terminating International Investment Agreements or withdrawing altogether from the International Centre for Settlement of Investment Disputes (eg Ecuador, Bolivia, Venezuela, and Columbia).

Budget reform

Government budgets do more than allocate resources – they structure how policy is developed, how public institutions relate to one another, how ministers and departments collaborate, and how policies are delivered. They also determine how easy it is to make progress on: whole-of-society goals (via their impact on departmental siloing), long-term priorities (via budget allocation and assessment timeframes), prevention (via how they represent the balance of upfront vs long-term costs and savings), and participation (via the degree to which they allow for or invite citizen involvement).[18] Lack of coherence in budget allocation – where funding certain policies undermines the ability to achieve outcomes in other policy areas – is a common institutional barrier to improving wellbeing, and efficient and sustainable management of government resources.[19] For example, fossil fuel subsidies in the Global North directly undermine the progress that can be achieved by energy transition investment.

17 Triefus, S. (2023). The UNGPs and ISDS: Should Businesses Assess the Human Rights Impacts of Investor–State Arbitration?. Business and Human Rights Journal, 8(3), 329-351.
Farrington, F., & Jevremović, N. (2025). Between a rock and a hard place: the impact of replacing or abolishing ISDS on investment-affected parties. Journal of International Dispute Settlement, 16(3), idaf023.

18 Gaukroger, C. (2025) Budgeting for Wellbeing: International approaches. Carnegie UK.

19 OECD (2024). Policy coherence for sustainable development: https://www.oecd.org/en/topics/policy-coherence-for-sustainable-development.html

Examples of questions to consider:

- Are budgets informed by measures of the wellbeing of a jurisdiction's people and environment? Are they using such information to support and invest in activities needed to close gaps and stop harm happening?
- Do budget forecasts adequately incorporate the direct costs associated with emerging trends and forces, such as the full rising costs of dealing with increasing extreme weather events?
- Does the budget adequately account for long-term or second-round impacts of policies and the costs or savings for the government that these impacts have the power to generate?
- To what extent do existing budget processes or structures act as barriers or enablers to joint-up policy formulation and investment? What would need to change to improve them?
- Is the budget process structured to empower and incentivise decision-makers to take long-term and preventative approaches to problems? Or does it steer decisions towards short-termism and crisis-management?

Examples:

Structuring budget processes around long-term challenges and missions

- New Zealand's 2024 'Wellbeing Budget' included multi-year funding for five wellbeing priority areas that actively encouraged shared-budget bids to avoid departmental siloing.
- The EU's seven-year Multiannual Financial Framework (MFF) requires the commitment of expenditure well beyond a single electoral term. The 2021-2027 framework integrated environmental goals horizontally across other funding streams such as agriculture, regional development and research.

Building avoidable costs into budget assessments

'Avoidable costs' – costs borne by the government due to poor wellbeing outcomes driving up the need for government interventions – represent the threat that wellbeing failures pose to long-term fiscal sustainability. Tracking and accounting for such costs in budget assessments would: better incorporate the broader and long-term fiscal impacts of policy decisions; incentivise investment in prevention; and disincentivise policy decisions that focus on short-term gains at the expense of long-term negative impacts.

- The Australian state of Victoria's Early Intervention Investment Framework (EIIF) directs funding towards policy initiatives that take an early intervention approach via the re-investment of savings generated through early intervention. Further, assessments under EIIF also do not apply discount rates (see below).
- Scotland has recently completed a pilot of a 'preventative spending tool' which 'tags' preventative spending according to the key drivers of demand for public services that initiatives tackle.

Reforming or removing discount rates

Social discount rates are commonly used to place a decreasing value on a benefit or cost, the further in the future it is predicted to occur. Applying a single social discount rate gives significantly less weight to the interests of future generations in government decision-making, making this an important area for reform.

- The UK and France have declining discount rates which apply a lower rate the further into the future policy impacts are assessed. The UK also applies lower discount rates to risks to health and life than to standard infrastructure appraisal.

Audits and fiscal assessments

Traditional economic and fiscal assessments drive economic activity and government policy through guiding budget forecasting and determining borrowing rates. When these assessments do not capture the long-term impacts of decisions, or are only focused on narrow economic indicators such as GDP, they miss accounting for important assets like human and natural capital, and they incentivise short-sighted and harmful practices.

Examples of questions to consider:

- Do fiscal assessments include special consideration of spending in areas likely to improve long-term value and reduce future costs such as the environment, health or education?
- Is the time-frame of audits sufficiently long to capture the full range of expected impacts of policy and investment decisions?
- Do fiscal assessments incentivise the prioritisation of short-term fiscal liquidity at the expense of national assets such as the natural environment or social investment?

Examples:

Moving to measures of wealth and national assets

Economic capacity and resilience depends on assets that go far beyond what is captured in conventional economic accounting. The quality of the natural environment, social infrastructure and trust, skills and knowledge are some of the assets on which the economy depends and yet their depletion often fails to turn up in fiscal assessments. Indeed, traditional financial health assessments can incentivise the prioritisation of short-term fiscal liquidity at the expense of national assets such as the natural environment or social investment.

There is a strong theoretical basis for nations to move towards inclusive 'wealth' measures – as opposed to simply national income – that, in recognising the importance of different forms of capital, encourage investment and efforts to stem their depletion.[20] The World Bank's The Changing Wealth of Nations (CWON) programme measures a broad portfolio of assets at the national level for over 150 countries – including produced capital, human capital, renewable and nonrenewable natural capital, and financial assets. This allows assessment of whether GDP growth has come through the growth of, or at the expense of, the productive base for the economy.

However, such measures are not yet systematically included in governments' fiscal assessments. Further the IMF's highly influential article IV consultations which attempt to assess each country's economic health and to forestall future financial problems only look at fiscal liquidity over two-year timeframes. As article IV assessments are regularly used to inform sovereign creditworthiness assessments, the narrow nature of this accounting methodology can impose extra costs on investments intended to head off a future harm.

Measuring progress beyond GDP

- An active intergovernmental process is underway at the UN to determine stronger policymaking on 'beyond GDP' metrics. This includes an Expert Group on Well-Being Measurement (EGWM) under the UN Statistics Commission. The UN High-Level Expert Group on Beyond GDP, which frames the goal of policymaking around delivering 'inclusive and sustainable wellbeing', has released recommendations for the establishment of global norms and universally applicable indicators of sustainable development that complement and go beyond GDP.

20 Dasgupta, P. (2021). The Economics of Biodiversity: The Dasgupta. London: HM Treasury. See also the work of the Bennett Institute's Wealth Economy project and The Capitals Coalition.

- Over two thirds of OECD countries (and many others) have wellbeing measures that measure progress beyond traditional economic indicators.
- Under the 2025 revision to the System of National Accounts, Net Domestic Product (NDP) is now defined as GDP minus depreciation and depletion of natural resources. NDP also recognises renewable energy resources (solar, wind, hydro) as economic assets. Placing a greater emphasis on NDP as opposed to GDP would provide a more complete picture of sustainable income.

Expanding audit responsibilities beyond short-term fiscal analysis

- The United States' Center for Strategic Foresight is housed in the Government Accountability Office (GAO), the head audit agency for the US government. It combines audit responsibilities with foresight analysis, to support "identifying, monitoring, and analyzing emerging issues facing policy-makers".
- Wales' Well-being of Future Generations Act (2015) requires the Auditor General for Wales to examine whether public bodies are applying the sustainable development principle, auditing the quality of long-term decision-making – not simply financial performance or regulatory compliance.
- Scotland's Auditor General regularly builds areas such as sustainability, poverty and inequality into analysis.

Revenue-raising

Revenue-raising is essential for governments to enact policies and provide services. However, it is highly vulnerable in the face of several long-term and emerging trends: AI may eliminate entire categories of employment, changing workers' economic futures, dramatically affecting the value of income taxes, and changing the fiscal position and relative power of major corporations. Demographic shifts such as aging populations will demand a radical change in revenue and spending models.
In considering government revenue-raising activities through the lens of both wellbeing and futures perspectives, clear imperatives emerge to diversify away from current income-tax models. Revenue raising also represents powerful opportunities to incentivise the kinds of economic activities that support wellbeing, and disincentivise those that are harmful.

Examples of questions to consider:

- Does consideration of revenue raising options take into account their ability to shape a variety of long-term outcomes?
- Who has the power in current revenue generation models, and is there an opportunity to bring economic power closer to the people?
- How do our current revenue models hold up in the face of long-term trends, and what models are likely to be the most resilient in delivering wellbeing for current and future generations?

Examples:

Using tax as a lever to shape the economy

Tax is a tool that can be used to re-orient the economy: towards pre-distribution; away from activity that creates harm (such as fossil fuel use, tobacco consumption, and gambling); and towards activities that create public goods (such as community sports and the arts).

- The city of Portland, in the US state of Oregon discourages pay inequity via its "pay ratio surtax" which applies an additional level of tax on companies where the CEO-to-median-worker pay ratio reaches or exceeds 100-to-1.
- Sweden has halved the VAT on repairs to encourage circular economy practices, while many countries (such as Germany, Denmark, Spain, UK) have higher taxes on single-use plastics.
- Sugar taxes have been adopted by over 130 jurisdictions across nearly 120 countries and territories.
- Environmental fiscal reform in the form of taxes that are deployed to shift the burden of tax from labour to environmentally damaging activities (such as carbon taxes) are increasingly common. The Canadian province of British Columbia's (recently repealed) carbon tax was accompanied by a tax credit for low income individuals and families designed to ensure that the tax's impacts were not distributed inequitably. The revenue from Costa Rica's carbon tax is used to pay farmers and landowners to protect, restore, and maintain forests on their land.
- Net wealth taxes (Norway, Switzerland, Spain) and land value taxes (France, US, Estonia) are much better tools for addressing inequality than income taxes alone.

Sovereign wealth funds

State-owned sovereign wealth funds (SWFs) can strengthen democratic control of financial and material resources, convert sources of wealth into assets that benefit current and future generations, and increase countries' resilience against global economic shocks, demographic shifts or technological transformations that reduce traditional income-based revenue generation. While not an option for all jurisdictions, many countries in the Global South with significant critical mineral deposits currently have unique – albeit perhaps time-limited – opportunities to establish SWFs.

- Norway's Government Pension Fund Global has captured the revenue from Norway's North Sea oil and gas production since 1990, with the fund's principle being treated as belonging as much to future as to current Norwegians.
- Nigeria's Future Generations Fund has civil society and youth representatives on its Governing Council.

Community wealth-building

- Scotland's 2026 Community Wealth Building law mandates that local authorities and public bodies show how they will leverage their procurement, land, financial, and employment powers to create, sustain, and distribute wealth within local communities.

Pension systems and intergenerational capital

Pension systems represent some of the largest pools of long-term capital in the global economy. Their design, governance and investment mandates can play a significant role in shaping economic outcomes across generations. Pension funds are uniquely positioned to support long-term investments that contribute to sustainable wellbeing while generating financial returns, making them an important bridge between future generations and wellbeing objectives.

Examples of questions to consider:

- Do pension fund governance arrangements adequately represent the interests of younger and future beneficiaries?
- Are pension assets being invested in ways that support long-term social, environmental and economic resilience?
- Are regulatory or fiduciary frameworks creating barriers to pension funds investing in long-term wellbeing outcomes?
- How can pension systems contribute to addressing major long-term challenges such as climate change, demographic change, housing affordability and infrastructure needs?

Examples:

Expanding the role of pension funds as long-term stewards of capital

- Canada's large public pension funds have become globally recognised for investing in long-term productive assets including infrastructure, housing and renewable energy, while maintaining strong financial performance.

Embedding sustainability and intergenerational considerations into pension investment strategies

- Dutch pension funds are increasingly incorporating climate risk and long-term sustainability considerations into investment decision-making, recognising that environmental degradation poses material risks to future beneficiaries.
- Several Nordic public pension funds have adopted investment approaches that seek long-term value creation through responsible investment practices and active stewardship of environmental, social and governance risks.

Connecting long-term capital with future investment needs

- Pension systems have the potential to channel capital accumulated in ageing societies towards investments that support sustainable development, climate resilience and economic opportunity for younger populations and future generations.

Spending and procurement

Spending and procurement are both the tools for policy delivery and acts of governance: they communicate what a government values, shape the conditions for private investment and innovation, and can drive meaningful shifts in culture, democratic participation and the distribution of power. Procurement is a powerful but overlooked government lever with the World Bank estimating that public procurement typically accounts for between 13% and 20% of a country's GDP.[21] It can be used to help shape the direction of economic activity by, for example, supporting local economies, worker-owned enterprises, and community wealth building, while driving the transition to circular and low-carbon supply chains.

Examples of questions to consider:

- Does public spending reflect the right balance between upstream prevention and downstream crisis management and if not, what are mechanisms that can shift this balance over time?
- Are procurement timelines and contract lengths sufficient to enable suppliers to deliver on long-term outcomes?
- Is government spending and procurement actively shaping the kind of economy that will serve the wellbeing of people over the long-term?

Examples:

Participatory budgeting

- Forms of participatory budgeting are practiced across the world in jurisdictions such as Brazil, Peru, Republic of Korea, and New York. Evidence suggests that the practice not only increases citizen engagement but redirects spending priorities toward long-term development projects and allocates resources more equitably to poorer communities.[22]

Incorporating social and environmental and social goals into procurement regulation

- Since 2005, the Republic of Korea has had a legal requirement for government agencies to purchase certified green products whenever possible, as part of its green public procurement (GPP) strategy.
- Ecuador's national procurement strategy actively supports social equity by directing public entities to prioritise micro, small, and medium enterprises, Popular and Solidarity Economy (PSE) actors, artisans, and other underserved suppliers. This is accompanied by open data dashboards which make public annual buying plans and simplify supplier registration to boost competition from a broader range of entities.

21 Bosio, E. & Djankov, S. (2020). How large is public procurement? World Bank Blogs: https://blogs.worldbank.org/en/developmenttalk/how-large-public-procurement

22 People Powered (2025). Impacts of Participatory Budgeting: What we know.

- Rwanda's efforts to make public procurement more inclusive for women include a revision to the Procurement Act that requires that women comprise at least 30% of the members of tendering committees in each government agency.
- Australia's federal government requires contractors delivering major construction services and those supplying textiles, furniture, and ICT products to meet sustainability targets including waste reduction and the elimination of single-use materials.

Centering investment decisions around long-term wellbeing

- From providing high-quality and widely accessible public services, to investing in the social and natural infrastructure that underpins community thriving and resilience, governments can provide the pre-conditions for people to be able to participate meaningfully in economic and social life.

Decision-making guidance and accountability

Even when governments have ambitions to work towards long-term wellbeing, it is easy to fall back into 'business as usual patterns' when there is a lack of guidance on how to approach decision-making, resources to support making decisions, and accountability mechanisms to ensure that governments are consistently focused on the right outcomes.

Examples of questions to consider:

- What information is needed to make future-informed and wellbeing-promoting decisions? How do we make sure such information is used in government decision-making?
- Is there a future plan or long-term image of the future created by citizens that can guide whole-of-government policy direction?
- What mechanisms are there to keep the government accountable for commitments in line with the wellbeing of future generations?

Examples:

Wellbeing frameworks

Wellbeing decision frameworks can articulate long-term national goals, rooted in wellbeing, that foster new ways of working within government and the public service.

- Wales' wellbeing framework is set out in law which enshrines long-term wellbeing goals, decided on by the people of Wales through a national conversation (see below), that set out a common vision for the government and other public bodies to work towards. It also includes five 'ways of working' – long-term, prevention, integration, collaboration, involvement – which are principles (closely aligned with the principles discussed in this report) that all public bodies must use in their decision making. The legislation also established the role of a commissioner (see below) to keep public bodies accountable for acting in accordance with their duties under the act.

Committees and commissioners

Independent committees and commissioners can be politically-neutral champions and watchdogs, maintaining independent relationships with stakeholders and the media.

- Finland's Committee for the Future provides foresight projections and offers feedback on future-focused reports submitted by the government, with its reports including resolutions containing binding requirements for the government.
- Singapore's Strategic Foresight Unit (SFU) has a mandate to ensure that budgeting work undertaken by the Ministry of Finance builds in SFU's futures analysis.

Citizens assemblies and national conversations

Citizens assemblies gather a randomly selected group of citizens representative of the wider population to engage in a deliberative democratic process. Within this process they learn from experts, discuss complex policy issues, and make recommendations for governments. Widespread and mixed-methods 'national conversations' that are built around direct public engagement can be used for agenda-setting and to identify national goals.

- Countries such as Ireland and France have engaged citizens assemblies for key complex policy issues, while Ostbelgien in Belgium has a Permanent Citizens' Council.

Conclusion

There is a risk that the current crises we face draw our attention away from the long term. This is likely even though so many of them are precursors to, or early stages of, far greater crises. The challenges we face today were foreseen and could have been largely prevented (or certainly better prepared for).

This will continue to happen and get worse if we allow ourselves to remain distracted from necessary action. As the costs of inaction compound, inevitable global forces do their own work to transform future government and economic systems.

The challenges facing current and future generations cannot be addressed through isolated policy interventions. They require systemic responses: the deliberate activation of combinations of policy levers across governments and the economy, across fiscal and financial systems, and across institutional structures and decision-making processes. This is why the bringing together of wellbeing and wellbeing economy, and futures and future gens perspectives matters. It is why there is a need to build communication and support between them in order to reinforce each other. Together they provide a clear account of what a thriving future looks like for current and future generations, and the institutional capabilities to move purposefully toward this future, across changing political conditions.

This paper has aimed to illustrate the kinds of changes that need to happen, and that are being picked up across the world, but the examples it provides should in no way be considered exhaustive. The right combination of policy levers will vary with context but the direction of travel is clear, and the tools exist.

Policymakers should start by identifying the lever or combination of levers most accessible within their realm of influence, and activate them with explicit connections to the broader system in mind. A treasury official can begin with discount rate reform or avoidable cost analysis. A procurement team can reframe supplier evaluation around long-term social and environmental value. A legislator can champion statutory duties to consider future generations. A central agency can build foresight capability into budget processes. None of these is sufficient alone, but each, done well and connected deliberately to the wider architecture of reform, contributes to a system that is more capable of delivering on its obligations to the people it serves today and those who will inherit its consequences tomorrow.

Cressida Gaukroger

Wellbeing Economy and Long-Term Governance Expert

Cressida is an **independent writer, philosopher, policy researcher** and **speaker.** Her work sits at the intersection of long-term governance, wellbeing economics, government systems reform, and ethics. She works with governments across Australia and internationally to put sustainable wellbeing at the heart of policy, budgeting, and organisational culture.

Key publications include: Embedding Progress on the need for whole-of-government transformative change – looking at international examples to explore what's working, the common challenges they face, and practical recommendations for governments. Budgeting for Wellbeing which examines how national, state, and regional governments are aligning their budget and fiscal systems with wellbeing goals. A Critical Assessment of GDP as a Measure of Economic Performance and Social Progress which brings together evidence about why Gross Domestic Product (GDP) has failed as a measure of social progress.

Cressida holds a PhD in philosophy and previously served as a departmental lecturer in practical ethics at Oxford University. She serves on the board of Think Forward, an Australian think tank which brings an economically-informed intergenerational perspective to long-term policy challenges. She is also a Research Committee member of the Wellbeing Economy Alliance Australia branch.

School of International Futures

School of International Futures
Onega House,
112 Main Road, Sidcup
Kent, DA4 6NE, United Kingdom

+44 (0) 300 302 0486
@SOIFutures
www.soif.global

School of International Futures (SOIF) is a global non-profit transforming futures for current and next generations.