Science-policy dialogue. Competitiveness Reimagined: Towards sustainable and inclusive wellbeing

February 25th, 2026, 14:00-15:15 CET | Online on Zoom | Open to all, register here

This interactive science-policy dialogue aims to continue the discussion on how to approach competitiveness so that it reflects long-term thinking, sustainability and cohesion principles.

Evidence-based decision-making tools are essential for building economies that deliver sustainable and inclusive wellbeing for all—now and in the future. In this context, MERGE, a Horizon Europe-funded project, aims to foster science-policy exchanges to support the development of indicators and models to strengthen sustainable and inclusive wellbeing policies. Through its European-level policy stream, led by ZOE Institute for Future-fit Economies and the European Policy Centre (EPC), **MERGE conducted "policy deep dives"** to analyse how a holistic set of metrics can facilitate and monitor the implementation of key EU policies. Among these, **competitiveness has emerged as a key topic.**

Bringing together researchers, policymakers, business leaders, and civil society and linking conceptual debates to the realities of EU policymaking and governance, this science-policy dialogue aims to provide an interactive forum to explore how the EU's vision of competitiveness can better reflect long-term economic, social, and environmental objectives.

Guiding questions

1. To what extent are sustainability and wellbeing goals compatible with the EU's current competitiveness agenda?
2. What are the key dimensions that a future-fit competitiveness framework should incorporate? What existing metrics and tools (e.g., the JRC sustainable and inclusive wellbeing multidimensional dashboard) could be utilised?
3. What are the main leverage points in policymaking and governance to mainstream competitiveness centred around sustainability and wellbeing in the EU?

Agenda

14:00 – 14:10	Welcome to the science-policy dialogue and introduction to the MERGE project by Magalí Brosio (ZOE Institute for Future-Fit Economies)
14:10 – 14:15	Overview of MERGE policy work and key insights from the competitiveness deep dive by Laura Danilaviciute (ZOE Institute for Future-Fit Economies)
14:15 – 14:25	*"Is Europe a Laggard? Comparing the EU and the US using an Interdisciplinary Well-Being Framework'* - Presentation by Annegeke Jansen (University of Leiden)
14:25 – 14:35	*'Beyond averages - Inequality-sensitive welfare comparisons across the Atlantic'* - Presentation by Shaun Da Costa (Joint Research Centre, European Commission)
14:35 – 14:45	Commentary by Sandrine Dixon- *Declève* – reflections on current status and future directions
14:45 – 15:10	Participants Q&A
15:15 – 15:15	Closing words

Speakers

Sandrine Dixson-Declève *served as Co-President of the Club of Rome from 2018-2024 and now acts as its Global Ambassador while leading as the Executive Chair of Earth4All, an initiative promoting economic systems change for a sustainable future. She sits on the Climate Governance Commission and the newly formed WHO Pan European Climate & Health Commission. She has advised governments, businesses, and international organizations, chaired the European Commission's Expert Group on Economic and Societal Impact of Research & Innovation (ESIR), and serves or has served on Boards and advisory boards of Climate KIC, Laudes Foundation, Imperial College London, UCL, BMW, UCB and EDP. A TED speaker and author, she co-wrote Earth for All: A Survival Guide for Humanity and advocates for bold climate action, economic reform, and social equity to address global challenges. Sandrine currently teaches at the College of Europe.*

Shaun Da Costa *is a researcher/economist at the European Commission's Joint Research Centre (Ispra). His work focuses on welfare measurement, inequality, and poverty dynamics. In this science-policy dialogue, he will present a new*

measure that enables welfare comparisons across countries that go beyond national averages.

***Annegeke Jansen** is a PhD candidate at the Institute of Environmental Sciences at Leiden University, Netherlands, and Research Associate at the Wellbeing Research Centre at Oxford University, UK. Annegeke's research goal is to embed Beyond GDP thinking into the European and global policy agendas. She works to develop indicators and investigate determinants and historical developments related to sustainable and inclusive wellbeing.*

***Laura Danilaviciute** is an EU policy consultant in ZOEs **New Economy Goals** and Governance teams. Her* professional background combines hands-on policy analysis, design and coordination, at both national and EU levels of governance. *While in ZOE she leads* public affairs engagement and advocacy strategy delivery through *building and strengthening stakeholder network, , and monitoring key policy processes at the EU level.*

Background

Competitiveness is currently one of the most prominent concepts within European economic policy debates. Following Mario Draghi's report on European competitiveness as well as the priorities of the European Commission for 2024-2029 outlined in the Political Guidelines, the term has gained renewed political relevance. This agenda has been widely endorsed by business representatives, emphasising the importance of competitiveness for securing innovation and industrial capacities. Yet, there is no shared understanding of what the concept actually means or encompasses across science, policy, civil society, and industry.

From an academic perspective, researchers have identified at least three different dimensions of the term.[1] Historically, the concept of competitiveness has been strongly linked with productions costs. In essence, **price competitiveness** emphasises the idea that to be competitive, a country (or a firm) must keep its costs low in relation to others, in particular labour costs. However, this narrow focus (and its policy implications) have been heavily criticised, progressively losing traction in public debate. **Quality competitiveness** refers to a country's ability to achieve a dominant market position through innovation, technology, education, and strong institutions. Thus, this perspective does not only consider a static advantageous position in terms of better costs or productivity, but

[1] Karl Aiginger, Johanna Vogel; Competitiveness: from a misleading concept to a strategy supporting Beyond GDP goals. *Competitiveness Review* 19 October 2015; 25 (5): 497–523. https://doi.org/10.1108/CR-06-2015-0052

examines the processes that led to it, as well as the opportunities to sustain it or improve it over time. Lastly, **outcome competitiveness** proposes that competitiveness should not be assessed by looking at the inputs alone, but rather in conjunction with the concrete outcomes. Traditionally, outcome competitiveness has been mostly evaluated using economic indicators such as Gross Domestic Product (GDP). However, given the known limitations of GDP as a measure of societal progress, there are discussions on how to assess outcome competitiveness in a more holistic way.[2]

In EU policy, the **Competitiveness Compass**[3] frames competitiveness as one of the Union's overarching strategic principles, emphasising that the EU's future prosperity depends on boosting innovation-led productivity as outlined in the Draghi report. The Compass sets out **three transformational imperatives** to enhance competitiveness: closing the innovation gap, decarbonisation, and reducing dependencies and increasing security. In line with the Competitiveness Compass, the **European Competitiveness Fund** (ECF)[4] aims to create a consolidated investment capacity to enhance Europe's competitiveness by boosting innovation, technological development, industrial capacities, and skills. The competitiveness agenda at the EU level is driving initiatives such as the Clean Industrial Deal and the Industrial Decarbonisation Accelerator Act, demonstrating the interconnectedness of competitiveness and decarbonisation as strategic policy areas. Yet, despite the centrality of competitiveness in the European policy agenda, the above initiatives do not offer an explicit and precise definition of competitiveness.

Recent work by ZOE Institute on competitiveness framings[5] also underscores the concept's ambiguity, highlighting that the term is highly malleable and often used in different ways in EU policy debates. **This conceptual openness offers space to reorient competitiveness discourse towards a future-fit paradigm that strengthens Europe's capacity to meet social, economic, environmental, and geopolitical challenges and create long-term prosperity**. It is therefore crucial to transcend narrow interpretations of competition focused primarily on costs or productivity and embrace a more holistic approach to competitiveness.

Measuring what matters: metrics for holistic competitiveness

In May 2025, the MERGE project organised the workshop "Measuring what matters: Competitiveness" to discuss with participants from EU institutions and experts how competitiveness can be defined and measured, focusing on the Circular Economy Act and the Quality Jobs Roadmap. The key takeaway: if competitiveness is to serve as a compass for Europe's long-term future, it must align with broader societal goals such as environmental sustainability, social inclusion, human wellbeing, societal prosperity and economic resilience. This perspective

[2] MERGE. (2024, October 15). Productivity For What? Why Sustainable and Inclusive Wellbeing Must Take Center Stage in Europe. *MERGE*. https://mergeproject.eu/productivity-for-what/
[3] https://ec.europa.eu/commission/presscorner/detail/en/ip_25_339
[4] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52025PC0555&qid=1753802586340
[5] https://zoe-institut.de/en/publication/framing-competitiveness/

emphasises that competitiveness is neither an end in itself nor simply about short-term economic performance. Holistic competitiveness is rather to be understood as a crucial condition to Europe's capacity to innovate, adapt, and thrive for the benefit of people and the planet. In this way, competitiveness becomes a vehicle for delivering prosperity that is both sustainable and inclusive. It highlights Europe's capacity to establish attractive socioeconomic conditions for employers, firms, and investors, ensure resource-efficient productivity gains and innovation in support of the green transition, and guaranteeing fair, resilient and peaceful social models.

The long-term orientation introduced by the EU's Competitiveness Compass, which rightly emphasises innovation, decarbonisation, and security, already offers a solid basis for further development of the competitiveness concept. However, against the backdrop of compounding socioeconomic, environmental, and geopolitical challenges, it is crucial to continue the work on competitiveness, making sure it fully integrates sustainability, wellbeing, and social inclusion dimensions. And indicators can help with this necessary but challenging task.

Used well, metrics can help translate high-level concepts into tangible visions, offering effective tools to track progress, identify gaps, and chart pathways forward. Developing a set of outcome-oriented competitiveness metrics aligned with Sustainable and Inclusive Wellbeing (SIW) goals would therefore be a crucial step toward shaping a more robust understanding of competitiveness: One that moves beyond narrow notions of cost reduction or short-term productivity gains and instead points toward a more ambitious trajectory of sustainable prosperity.

MERGE

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