

# Focus on wellbeing to boost productivity

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## **Executive Summary**

Canada was founded for Peace, Order, and Good Government – not for greater productivity; and citizens are much more than inputs in the economic machinery.

That's why governments, and arguably Canadian businesses, should do everything possible to create great places to live and work.

Happy, healthy, well educated people are more productive and engaged in their communities, in democracy and in the workplace, but wellbeing has been lagging far behind economic growth in Canada. By reframing the “productivity issue” with a broader focus on wellbeing, the government can more easily identify key leverage points, intervene early and measure policy outcomes.

As inequality and precarious work increase, and Canada faces a major shift towards automation, the Canadian Index of Wellbeing recommends not only the adoption of a wellbeing focus, but also policy directions that provide greater access to education, health, leisure and culture, democracy, and all aspects of civil society – especially for marginalized people. These include: implementation of a basic income, extension of benefits to low-income Canadians, a pan-Canadian education strategy, a preventative approach to health care, universal access to leisure and culture, and improved data collection to track progress and inform policy.

Enhanced wellbeing is an objective in and of itself - not simply for the sake of productivity, but for human dignity and the value of full civic participation. Increased participation in economic life and productivity is but one benefit.

## **Introduction: Reframe the question**

When Canadians go to bed at night, they are not worried about their productivity. They worry about their jobs being automated or piecing together enough part-time work to make ends meet. They worry about their health or their kids' education. They worry about the growing inequality of access to the full range of supports and services their families need to live the highest quality of life.

When people are stressed by uncertainty, the demands of family, and long commutes, they are not at their best at work, at home or in their communities.

Indeed, healthy, educated and well-supported citizens are a pre-requisite for a thriving economy. More importantly, a thriving *society* should be the real end-goal of public policy and the budgets that support it.

## Focus first on wellbeing

This government has committed to “growing our economy, strengthening the middle class, and helping those working hard to join it.” [1] Why not focus *first* on the wellbeing of Canadians so that economic growth, as one of the many benefits, will follow?

We know that “trickle-down”, “austerity”, or “economy-first” approaches do not result in greater quality of life. While Canada’s GDP per capita grew by 38% between 1994 and 2014, Canadian’s wellbeing as measured by the Canadian Index of Wellbeing (CIW) increased by only 9.9% and income inequality grew by 10%. [2]

GDP growth masks the changing composition of the Canadian workplace where more people – especially Canadians in households with the lowest annual incomes – are working irregular and shorter hours, not by choice. [3]

What may be good for shareholders and businesses is not good for workers. According to the OECD, “Canada is the country with the highest rate of poverty for non-standard workers among OECD countries.” [4] The pay gap between Canadian full-time workers and workers in temporary or part-time work is almost 20% greater than in other OECD countries. [5]

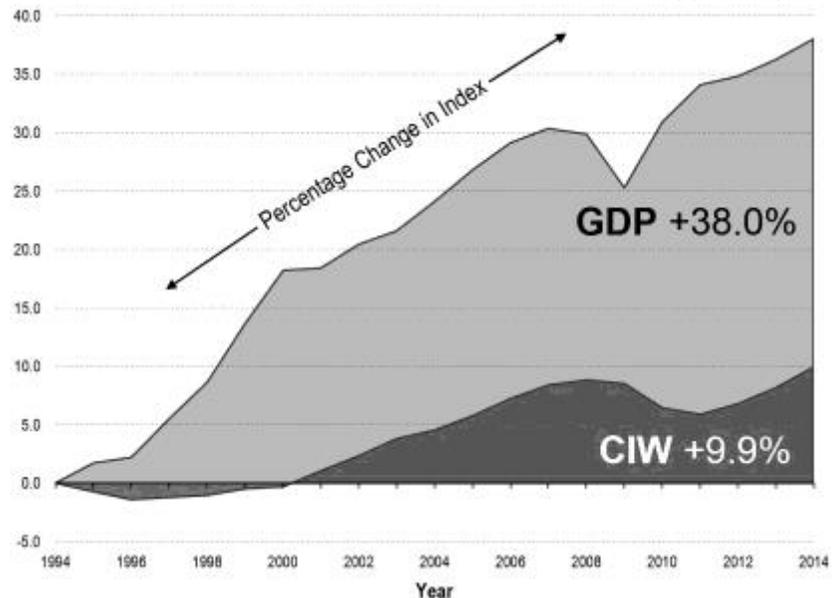
We need to ensure Canadians’ *lives* are improving along with the country’s economy.

We need to narrow the GDP-to-wellbeing gap so that both are moving upward at similar rates of growth. Only then will Canada be able to achieve optimal gains in the productivity of Canadians and the businesses that employ them.

## Apply a broader lens

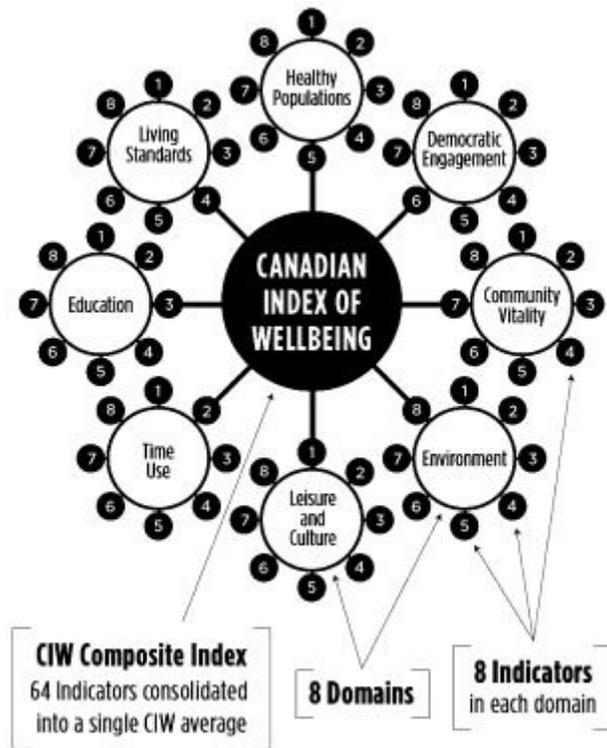
Just as the government has committed to incorporating gender-based analysis at department and Cabinet levels [6], the 2018 budget can apply a broader wellbeing lens. This lens exists.

**Trends in the Canadian Index of Wellbeing and GDP (per capita) from 1994 to 2014**



In the mid-2000's, the CIW conducted three waves of broad consultations with Canadians to identify the domains that matter most in our daily lives: *community vitality, democratic engagement, education, environment, healthy populations, leisure and culture, living standards, and time use*. Then, national and international experts identified 64 indicators, drawing from just under 200 unique data sources – primarily from Statistics Canada.

The CIW provides a snapshot, a measurement approach, and policy direction – all in one tool – that meets the government's need to inform its work with "performance measurement, evidence, and feedback from Canadians." [7]



## Identify key points of leverage

By placing wellbeing rather than the “problem” at the centre of decision-making, we see solutions that cut across systems. As a result, comprehensive, innovative, evidence-based policy directions emerge to provide “the greatest, positive impact on the lives of Canadians.” [8]

For example:

The government's recent announcement of a \$7.5 billion investment in early learning and childcare programs is one such leverage point. It increases women's workforce participation, reduces the risk of poverty, and reduces inequality. [9]

A national housing strategy and ongoing investment in health care will also boost Canadians' social and economic participation. Clearly, tackling challenges in one part of the system translates across several domains and improves overall wellbeing.

Investment in light rail to reduce commute times and improve labour mobility; leadership on climate change and a focus on clean growth; and spending on recreational and cultural infrastructure are all encouraging examples of early intervention and long-term strategy. With leisure and culture and the environment representing the only two domains of wellbeing that declined over the past 21-years, investment in these areas will have an important and lasting impact on Canadian's overall wellbeing.

Canada has shown that focusing on poverty alleviation can work and is a world leader in educational outcomes [10]. We know this works. We can do more.

## **Address broad inequalities of access**

In September 2016, the CIW invited experts to identify policy directions that address multiple challenges simultaneously. Immediately, the theme of broad inequality emerged. The group proposed that governments:

### ***Provide a universal basic income***

This government has essentially implemented basic income for families with young children and for seniors. Extending the concept would lift many more Canadians out of poverty, increase their participation in all aspects of society, and recognize the value of unpaid work. Faced with the potential displacement of “nearly 42 per cent of the Canadian labour force [which] is at a high risk of being affected by automation in the next decade or two,” [11] a basic income can maintain living standards and consumer spending for Canadians while streamlining the delivery of government services.

### ***Extend benefits to low and modest income Canadians***

As part-time and precarious work become more prevalent, fewer Canadians have access to employment-based benefits like health and dental care and pensions. Those most at risk are women, single parents, Indigenous peoples, racialized groups, and people with disabilities. [12] Extending benefits to low-income Canadians would boost their participation in all aspects of their lives, including reduced absenteeism and greater productivity at school and work.

Employers also have a role. A report released by Morneau Shepell urges employers to “implement actions that support workplace mental health and wellness given that they are integral to an absence prevention strategy.” [13]

### ***Implement a pan-Canadian education strategy***

Faced with looming labour disruptions, Canadians need to embrace life-long learning and skills development and governments need to encourage labour mobility. A coordinated approach is needed to:

- ensure access to and availability of formal and informal learning opportunities at all levels of education;
- enhance curricula to strengthen its links to wellbeing outcomes; and
- reduce interprovincial barriers to both education and labour opportunities.

### ***Embrace a proactive and preventative approach to health care***

When Canadians are not healthy, they are not at their best at work, at home, or in the community. Among the most critical factors associated with poor health are living in poverty and limited access to education. In addition to investments in physical and mental health, government must continue to collaborate with provinces and communities to adopt a preventative approach to health care that addresses social and economic factors contributing to poor health.

Expanding access to Community Health Centres (CHCs) across Canada, which provide access to a range of health and social services, will improve people's productivity while reducing costs and pressure on the primary health care system.

### ***Support universal access to leisure and culture***

Along with enriching and enhancing our lives, leisure can boost productivity. Time spent in leisure and culture allows us to learn new things, build new relationships, and recharge. Spending time with friends in activities we enjoy alleviates stress and feelings of time crunch. [14] Time spent in sport and in nature enhances physical and mental health. Leisure is so important that the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay, is a basic human right. [15]

The New Building Canada Fund, the Canada Cultural Spaces Fund, and the promotion of Canada's National Parks and Historic Sites show government recognizes the importance of culture and recreation. Government must continue to fund and promote universal access to leisure and culture, especially for marginalized groups. Canadian businesses must also provide standard paid vacation.

### ***Improve the collection of social and environmental data***

Access to valid and reliable data is indispensable for a government striving to develop, implement, and measure innovative and effective evidence-based public policy. We applaud the re-instatement of the mandatory long-form census and urge the government to increase availability of social and environmental data. For better decision-making:

- Collect national social and environmental data regularly, in a standardized format and at a geographic scale that allows monitoring from the national to the local level in all domains of wellbeing.
- Include Canada's Indigenous people in existing and new data collection. [16]
- Maintain longitudinal studies to measure long-term effects of public policy changes.
- Develop systems that integrate administrative data and national survey data to provide more comprehensive information without increasing the number of surveys or the redundancy of information gathered.

In this period of "fake news" and "alternate facts," we need valid, consistent and trusted data.

## Conclusion

Greater wellbeing for Canadians will translate into sustained productivity improvements – in the workplace and in the community. Applying the CIW lens, identifying leverage points and implementing measurable public policy is key to tackling the unprecedented labour shifts our country is currently facing.

## Endnotes

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- [14] Canadian Index of Wellbeing. (2016). (p. 76).
- [15] United Nations. (1948). *Article 24. In the Universal Declaration of Human Rights*. Resolution adopted by the General Assembly, A/RES/3/217A. Paris, FR. <http://www.un-documents.net/a3r217a.htm>