

# Focusing on wellbeing to reduce inequality<sup>1</sup>

Bryan Smale, Ph.D.  
Director, *Canadian Index of Wellbeing*  
Faculty of Applied Health Sciences  
University of Waterloo, Waterloo, Ontario N2L 3G1  
[www.ciw.ca](http://www.ciw.ca)

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When Canadians go to bed at night, they are not thinking about the country's economic productivity. For those Canadians living in poverty, nor are they just thinking about their incomes. They are thinking about their health, their jobs, or their kids' education. They might be worrying about piecing together enough part-time work to make ends meet or how changes in their communities will affect their lives. They worry about the growing inequality of access to the full range of supports and services they and their families need to live the highest quality of life.

Regardless of how we choose to define poverty – whether we use one of the national metrics provided by Statistics Canada (2016) – low income cut-off, low income measure, or the market basket measure – or with one of the various approaches to assess material deprivation, we must define it beyond the narrow perspective of “low income”. Debates over whichever of these measures is most *accurate* is ultimately less important than their ability to reflect *trends* in poverty – when poverty is increasing or decreasing, and what is contributing to the trend – and in this respect, all three reflect the same pattern over time. Perhaps more importantly, framing poverty as simply a measure of low income fails to capture the complexity of Canadian's lives and the varied circumstances they encounter in their day-to-day lives (Albright, 2017).

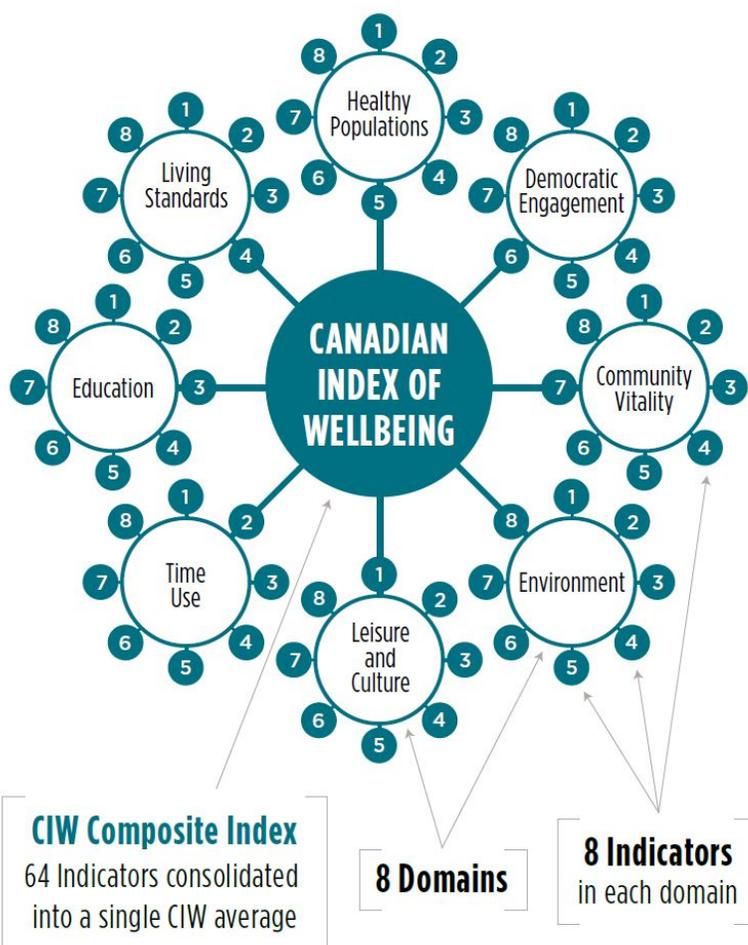
We must look beyond a solitary focus on low income and envision how poverty both is influenced by and influences the complex interplay of factors in people's lives (Watson, Maître, Whelan, & Russell, 2017). Through a more comprehensive consideration of those factors and how they combine and interact, we better understand how the experience of poverty is entwined in the broader and more complex challenge of *inequality*. This is the approach taken by Canadian Index of Wellbeing (CIW). The CIW captures a broad range of indicators from diverse areas to reveal how inequality, including poverty, is manifested in the lives of Canadians, especially those who are most marginalised.

Since its inception and throughout its development, the CIW has been designed to ensure everyday Canadians see themselves and their lives reflected in its perspective and measurement approach. The CIW is the result of the combined input of national leaders and organisations, community groups, research experts, indicator users, and importantly, the Canadian public. Through several rounds of public consultations, Canadians candidly expressed what really matters to their wellbeing. The process

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culminated in the identification of core Canadian values (including diversity, equity, inclusion, economic security, and sustainability) and eight domains of life that contribute to and affect the wellbeing of Canadians: *Community Vitality, Democratic Engagement, Education, Environment, Healthy Populations, Leisure and Culture, Living Standards, and Time Use*. Then, national and international experts identified 64 valid and reliable indicators, drawing from just under 200 unique data sources – primarily from Statistics Canada – that consistently show strong connections to wellbeing overall and to each of the eight domains. The CIW framework shifts the focus solely from the economy to what matters most to Canadians, of which economic security is an integral part.



The CIW provides an approach to measurement, a snapshot and means of assessing progress, and policy direction that meets the government’s need to inform its work with “performance measurement, evidence, and feedback from Canadians” (PMO, 2017a). It essentially strives for a more comprehensive and integrative approach to addressing the complex issues – including inequality – Canadians face as they aspire for enhanced wellbeing.

### Focus first on wellbeing

Indeed, if we were to focus *first* on the wellbeing of Canadians, reducing inequality, as one of the many benefits, will follow. More importantly, a thriving *society* should be the real end-goal of good public policy and the budgets that support it.

This government has “made a commitment to invest in growing our economy, strengthening the middle class, and helping those working hard to join it” (PMO, 2017a). There is abundant evidence 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 the gap between them has continued to increase over the same time period (CIW, 2016).

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, and not by choice (CIW, 2016). According to the OECD, “Canada is the country with the highest rate of poverty for non-standard workers among OECD countries” (OECD, 2015), and the pay gap between Canadian full-time workers and workers in temporary or part-time work is almost 20% higher than in other OECD countries.

### Identify key points of leverage

Pursuing a higher quality of life is worthwhile in and of itself, and an important lever for improvements throughout the system. When we place wellbeing, rather than the “problem” at the centre of decision-making, we are better able to recognise leverage points and see possibilities for solutions that cut across systems and create real change. As a result, comprehensive, innovative, evidence-based policy directions emerge to provide “the greatest, positive impact on the lives of Canadians” (PMO, 2017b).

For example, the government’s recent announcement of a \$7.5 billion investment over 11 years to support early learning and childcare programs is one such leverage point. It increases women’s participation in the workforce, reduces the risk of poverty, and reduces inequality (Friendly, 2016). In addition, ongoing investment in health care and the development of a national housing strategy are both critical levers to Canadians’ full participation in all aspects of civil society.

### Address broad inequalities of access

In the fall of 2016, the CIW invited experts in one or more of its eight domains of wellbeing to identify policy directions that address multiple challenges simultaneously. Immediately, the overarching theme of *inequality* emerged from the discussions. With this in mind, several policy directions were identified that had the potential to not only reduce poverty and inequality, but to have benefits in many aspects of Canadians’ lives.

#### *Provide a universal basic income*

The federal government has essentially implemented basic income for families with young children and for seniors. Extending the concept of a guaranteed minimum income for working Canadians would lift many more Canadians out of poverty, increase their participation in all aspects of civil society, and recognise the value of unpaid work such as eldercare, childcare, and volunteering. And critically, Canadians would achieve these outcomes with dignity.

#### *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, pensions, and other benefits. Those most at risk are women, single parents, Indigenous peoples, racialized groups, and people with disabilities (Granofsky, Corak, Johal, & Zon, 2015). Extending

benefits to low-income Canadians would not only help vulnerable people, it would help them participate more fully in all aspects of their lives.

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

When they are not healthy, Canadians 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, collaborative efforts involving governments at all levels are needed to ensure a *proactive* and *preventative* approach to health care that addresses social, environmental, and economic factors contributing to poor health.

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

Time spent in leisure and culture enriches and enhances our lives. Free time engagement builds relationships, facilitates learning, enhances physical and mental health, and alleviates stress and feelings of time crunch (CIW, 2016). Indeed, the United Nations (1948) has identified leisure, including reasonable limitation of working hours and periodic holidays with pay, as a basic human right.

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

Enhancing our ability to monitor and track indicators of wellbeing over time is critical to identifying leverage points and developing innovative approaches to reducing inequalities. Access to valid and reliable data is indispensable for a government striving to develop, implement, and measure innovative and effective evidence-based public policy. To facilitate such access, the government should further enhance the timely and comprehensive collection of social and environmental data to the same extent that economic data are gathered. This can be accomplished by committing to:

- 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 more fully Canada's Indigenous peoples in existing and new data collection;
- implement and maintain more longitudinal studies to measure the effects of public policy initiatives that may not be manifested for one or more generations; and
- accelerate development of systems that integrate administrative data and national survey data to provide more comprehensive information, especially for Canadians marginalised by income, age, gender, race, or any other circumstances that limit their access to opportunity. The further development of such systems would also reduce redundancy in and the need for more surveys.

This vision can be realised by taking advantage of the expertise and ongoing collection, reporting, and stewardship of the necessary data by Statistics Canada. As a new initiative, their services could be linked to an agency or institute charged with the responsibility for the ongoing monitoring, analysis, and assessment of progress towards reducing inequality. This strategy echoes the call by the Caledon Institute for Social Policy to create a council through a statute of the Government of Canada focused on inclusion and wellbeing that would foster “productive networks among Canadians from all sectors interested in our social and development programs” as one of its goals (Mendelson, 2017, p.4). Having the evidence to support such an institute would go some way to recognising, responding, and reducing inequality in Canada.

## **Conclusion**

If we are serious about wanting a future where all Canadians enjoy higher living standards, then we must recognise the perils of growing inequality and move towards creating a country that is both wealthier *and* equitable.

By focusing on wellbeing and recognising it as a complex system of interconnected systems, we place wellbeing rather than the problem at the centre of decision-making. We begin to see the possibilities for solutions that cut across those systems. Ultimately, by placing wellbeing at the heart of policy development, comprehensive, innovative, evidence-based policy will emerge that benefit all Canadians in multiple ways.

To move in this direction requires a commitment to data collection, stewardship, and analysis that focuses on wellbeing for all Canadians, which inevitably addresses the challenge of inequality, and by inference, poverty. Addressing inequality creates greater access to education, health, leisure and culture, democracy, and all aspects of civil society – especially for marginalised people – not simply for the sake of economic growth, but for human dignity and the value of full participation.

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