Integrating a wellbeing budgeting framework with existing priorities and commitments

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Introduction

Aligning policy under an overall quality of life framework is attractive for several reasons. It should help to **correct** from long-standing policy bias towards a market growth orientation. It may help to **align work** across agencies and to build more integrative policies. It should help to **communicate** government's ultimate goals and its accountability to the lived experience of Canadians.

Objective measures can inform us about levels of income and employment and housing in a society, but they can never tell us what it feels like to be poor or rich, to be overworked or underemployed, to have no private space, or to be alone in a house. By giving coherence to existing efforts across departments and agencies, a **life satisfaction** approach is likely, first of all, to empower and energize **outcomes-based policy-making** in terms of existing objective measurables. Its ultimate promise is that it can provide both intuitive meaning and analytic valuation to any series of objective goals.

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SDGs

The SDGs and their measurement framework are a set of goals, like boxes to tick, with no intended way to prioritize across them. Nevertheless, the rush to create an index which combines all of these goals presents policy makers with a dangerous temptation.

There is a tendency to create indices of progress or wellbeing which combine multiple, disparate outcomes with entirely arbitrary weights, leaving them indefensible upon scrutiny, even after attracting initial public and political attention. Worse, such indices often conflate, i.e., add together, measures related to human experience with measures related to ecological limits. An example is the single (scalar) index created to track the highly influential U.N. Sustainable Development Goals (SDGs). It is a sum of 100 numbers, all treated as equally important, which cover the disparate ideas captured by the SDGs. De Neve and Sachs (2020) note that indices for SDG goals 12 (responsible con-

sumption and production) and 13 (climate action) have a *negative* relationship with wellbeing. They conclude that "policy-makers may find pursuing [these] more difficult" as a result. Conflating measures of quality of life with those of ecological outcomes acts to buttress fears of a tension between progress and sustainability. Instead, these objectives must be rhetorically and conceptually separated in order to make sustainable development politically feasible. Barrington-Leigh (2021) suggests a framework to accomplish this, and Barrington-Leigh (2016) explains how a wellbeing approach enables sustainability policy.

Despite their momentum and prominence, the SDGs have other weaknesses as indicators of the wellbeing of Canadians. An example is the lack of emphasis on mental health, now among the world's most important challenges to, and opportunities for, improving wellbeing. Overall, the SDGs can be benchmarked in parallel with a more appropriate framework for wellbeing in Canada, but should not drive its structure.

Urbanism

Many aspects of wellbeing appear to come together in urban life, simply because that is where many Canadians meet othes, work, learn, and live. Careful thought is needed to provide useful wellbeing budgeting frameworks that are coherent and integrated with those of other levels of government, and in order to avoid every city needing to independently reinvent the same evolved approach.

The Global Happiness and Wellbeing Policy Report discusses a Happy Cities Agenda, which outlines tangible elements of design and policy in cities, along with eight dimensions of policy outcomes that are sometimes less tangible, but which are key enablers of wellbeing (Bin Bishr, 2019). These are trust, security, affordability, inclusivity, health and life balance, sociality, skills and economy, and meaning and belonging. Their recommendations include specifics about the size

of multi-unit buildings, mobility, integration of nature, and so on. Most modern planning ideas can now be explained with reference to evidence from the science of wellbeing, along with ecological considerations, and new insights come from understanding the enablers listed above.

Poverty Reduction Strategy

Using a quality of life lens and associated accounting naturally places emphasis on the least privileged in society, since the impact of policy on life satisfaction tends to be greatest for those most in need. Moreover, having an integrative measure of wellbeing avoids the need for arbitrary cut-offs in poverty definitions, and avoids an overly strong emphasis on financial income as a criterion.

Ultimately, a life satisfaction approach has guided us to think about social exclusion and dignity, alongside more traditional economic motivations such as human capital investment and general security.

Putting in place an accountability to SWB is likely on the long term to steer policy slightly towards increased resources for the following, although evidence will continue to evolve on the details:

- "housing first"
- childcare
- child and income support
- stronger employment policies or "employer of last resort"
- integration, or policies to avoid isolation and fractures in trust or understanding across demographic groups (housing, zoning, schools, etc)

Canada's current framework has 12 indicators for poverty, so it already transcends simplistic "reduction of the fraction of poor." Moreover, although those indicators may presently overemphasize income (6 of the 12 are income-based),

the themes into which they are organized in "Opportunity for all" fit well with insights from knowledge about subjective wellbeing (Dignity, Opportunity and Inclusion, Resilience and Security). Therefore, adopting an overarching wellbeing framework will strongly support, though likely lead to amending, the current poverty strategy priorities.

Loneliness & Vivre Ensemble

One of the strengths of the life satisfaction approach is that it can properly bring into perspective the importance of non-clinical ailments, including those to do with social isolation, as well as other policy outcomes traditionally considered "non-tangible". The U.K., where subjective wellbeing is now better tracked than anywhere else, has famously appointed a Minister for Loneliness. Like the broader epidemic of mental health challenges, loneliness is only part of a differentiated set of failures to prioritize non-cognitive skills and to build active supports for social inclusion. An integrated wellbeing approach is able to identify differences in need across various demographic groups. It can evaluate interrelationships between shortfalls of different kinds of policies and different service providers. It can in principle quantitatively compare immediate interventions (e.g., mobility, housing provision) with those that will have payoffs over the life course (e.g., education in social and emotional skills). Nesting initiatives like *Vivre Ensemble* and a Loneliness Strategy within a framework highlighting overall wellbeing is a natural way to inform these strategies and to communicate their value in an intuitive way.

GBA+

One of the strengths of using life satisfaction as an overarching measure of quality of life is that it lends itself perfectly to disaggregating by subgroups. For instance, one can ask of the life satisfaction data, "how happy are women as compared with men?" "How happy are single mothers with young children as compared with single mothers with older children?"

One can also ask inferential questions, such as "How much does extra income affect the wellbeing of single parents with young children? How much does extra income affect the wellbeing of cohabiting parents of young children?"

One can use such analysis similarly for questions about the workplace, youth and gender, caring roles, etc as well as the other demographic dimensions of GBA+ (ethnicity, age, disability, etc). Indeed, this kind of analysis is an important part of the life satisfaction literature.

In this way, the existing GBA+ lens can fit in well and likely be bolstered rather than revised, by situating it in an overall wellbeing framework.

Equity

Findings from life satisfaction research suggest that overly focusing on income inequality would be an oversight. In fact, defocusing away from income may help to alleviate the harm of income differences. Most effects on quality of life are socially mediated, meaning that treating isolation, lack of opportunity to contribute to society, discrimination, adverse childhood experiences, and other indignities should be primary ends, rather than equalizing incomes *per se*.

With overall quality of life experience as a measure of success, the value of different investments in reducing patterns of poverty can be assessed appropriately.

National Housing Strategy

Naturally, homelessness is about more than shelter, and the challenge of housing insecurity is more of a problem for people in some circum-

stances than in others. How can the benefit of providing housing be evaluated? Access to housing must be carefully integrated into other policies which deal with the bigger picture of ensuring **dignity, inclusion, connection, and efficacy**. The latter are one way to characterize the life circumstances which loom large in analysis of experienced quality of life data.

Canada's National Housing Strategy is already integrated with the Poverty Reduction Strategy, but a wellbeing approach may call for a new level of integration across jurisdictions. It also offers a framework for quantitative analysis of benefits of housing provision and of housing integrated with other supports.

Net-Zero Carbon Strategy

A wellbeing lens applied to climate policy may help to tailor policies towards those that can garner public support. Life satisfaction research shows that trust in government, holding a prosocial identity and connection to others, and experiencing meaningful self-efficacy are each much more important than income and material consumption. This suggests that with appropriate framing and engagement, there are opportunities to improve lives and build positive collective identities at the same time as catalyzing shifts and imposing limits.

On the other hand, research also shows, both in the context of wellbeing and behaviour, that perceived loss looms large in the short run. Therefore, policies that are easily conceptually linked to reductions in incomes or opportunity are dangerous.

One major insight from life satisfaction research has relevance to development quite generally. It is that the scope for improving, or indeed diminishing, life experience through *non-material* changes to society is enormous, while the scope for changing lives through *material* means is relatively limited (Barrington-Leigh, 2016). This is generally counter-intuitive in the context of de-

veloping economies; nevertheless, the evidence spans all levels of development. Projections based on past development suggest that changes in GDP per capita and healthy life expectancy between now and 2050 are unlikely to change world average life satisfaction by even 1 point on the 11-point scale (Barrington-Leigh and Galbraith, 2019). By contrast, different feasible trajectories of a few non-material variables by 2050 account for a variation of nearly 3.5 points on the same scale, with the optimistic end leaving the average country as happy as today's Belgium and Costa Rica. One interpretation is that the scope for improving lives may be surprisingly undiminished under the imposition of some material constraints.

Two conclusions for integrating carbon strategies into a wellbeing framework are therefore:

(1) Separate the language around environmental limits (like GHGs) from the language and policies that relate to wellbeing. Many firms and governments are now using language around "carbon neutrality" / "net-zero," which frames the issue as a principle we might want to stand for, not a tradeoff we need to make against economic pain. Barrington-Leigh (2021) explains how environmental / ecological constraints should be kept out of any wellbeing framework. That is, any measure of wellbeing which incorporates, for example, both health and carbon reductions, is doomed to present conflict and promote cognitive dissonance. Constraints should be principled, and wellbeing should be pursued within those constraints.

(2) For future-oriented policies, a focus on the ability to improve wellbeing is mandatory (for constructive public discourse, acceptance, and engagement) and credible (due to the opportunities to improve wellbeing through non-material means, in addition to those through technological innovation). Therefore, whenever the constraints of "carbon neutrality" are mentioned, it should be within a framing of how we can make lives better.

Will this sufficiently address the loss aversion

challenge? One possible answer to this is that plenty of resources should be spent on a *fair transition*. That is, loss aversion should be taken into account appropriately as a threat to wellbeing, not just a political obstacle. Equally important, of course, is to allow industry to soften the blow, which is accomplished by having a future rising carbon price trajectory with as much transparency, certainty, and lead time as possible. Staying quiet on what will happen beyond $50/t only increases the real cost of transition, as well as making future increases harder to accept. An envelope of future price trajectory should be clear and committed, leaving the focus to be transferred to building better lives than we've ever had before.

Health in all Policies

With overall happiness as the goal, distinctions between sectors of government (health, housing, education, and so on) become fairly arbitrary, and cross-sector prioritization is important for making the best use of resources.

Advocacy for Health in all policies (HiaP) rests on the observation that "government spending on social programs often has a stronger association with population health than medical care investments" (Kershaw, 2020). It represents the drive to broaden policy integration in light of the depth of modern social and epidemiological science.

Any integrative approach, like HiaP, requires evidence to evaluate the benefits of different investment options. For instance, spending on education and parental leave both buttress population health. However, their benefits are broader than health.

The broadest possible approach is to use an overarching measure of quality of life in order to integrate the full range of social science, medical, and epidemiological knowledge.

That is, in principle a life satisfaction approach takes into account, and can quantify, the value of better health in addition to the full value of education initiatives and parental leave. Hence, "Happiness in all Policies".

The Global Happiness and Wellbeing Policy Report describes how healthcare would be adjusted and transformed under a quality of life (life satisfaction) lens, with a series of concrete recommendations for governments (Peasgood et al., 2019). This framework can seamlessly incorporate implications for family and carers alongside holistic outcomes for patients (currently, family caregivers are at increased risk of anxiety, depression, poor sleep, social isolation, reduced productivity, impaired cognitive function, stigma, deteriorating financial situation, and loss of leisure time and activity). It can more appropriately inform policy and resource allocation related to end-of-life care, can appropriately emphasize mental health, and can integrate lifelong investments in education and other social determinants of wellbeing. It avoids the deep concerns with existing accounting measures of QALYs and DALYs, which rely on opinions about hypothetical states rather than people's lived experience. See also Happiness Research Institute (2020).

Truth and Reconciliation

Our relationship to others in society is of paramount importance in accounting for differences in how people evaluate their lives. A sense of dignity, being treated with respect and justice, basic securities, and the feeling that authorities have one's interest at heart are some of the keys to happiness, along with close relationships, freedom from pain, and the ability to contribute meaningfully to a common cause.

Shared and secure identity, and a sense of cultural continuity (Chandler and Lalonde, 1998) have also been shown to be key to wellbeing.

The priorities in the Calls to Action of the Truth and Reconciliation Commission cannot be simplified, yet they fit seamlessly into a broader wellbeing framework, which finds that the elimination of discrimination and alienation and, by

extrapolation, persecution, are among society's largest opportunities for improving life.

The Calls to Action include categories like "Language and culture", whose contribution to wellbeing is typically hard to compare to, say, quality of housing. However, in a life satisfaction framework, both can be considered in a commensurable way. For instance, exposure to, or fluency in, one's traditional language has a measurable impact on life satisfaction.

An important note for indigenous policy in a quality of life framework is that Statistics Canada currently excludes important segments of indigenous peoples from surveys that ask the life satisfaction question (Barrington-Leigh and Sloman, 2016). Those living on reserve are not part of the CCHS nor the GSS sample. An important initiative may therefore be in funding dense oversampling in these populations, or in supporting the development of an appropriate overall quality-of-life measure to be used for First Nations and Inuit people's individual experience.

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