
Build back better

Designing a Canadian economic system that grows well-being and quality of life

Context

The COVID-19 pandemic has exposed numerous vulnerabilities within Canada's social, governance and economic systems and their ability to respond to emergencies that directly affect lives and livelihoods. It has also highlighted how immediately relevant health and well-being are to all people in Canada, and that when prioritized, a focus on well-being can unify political leaders.

Along with the acute health crisis, Canada continues to face the ongoing, historical consequences of racial injustice and gender disparities amplified by socio-economic inequality. Injustice and inequality deny dignity and opportunity, and erode cultural and societal resilience. Many transformational actions need to be applied to affect permanent, lasting and accepted change. The transformation of our economic system is only one action – albeit one that can have a pervasive and holistic effect.

The David Suzuki Foundation recommends that Canada aim to “build back better” by pursuing an economic system that prioritizes well-being for all. This includes addressing ongoing environmental crises such as climate change and pervasive inequities in prosperity and quality-of-life.

This is an unprecedented moment for the Government of Canada to strengthen its commitments to global environmental objectives, social equity and justice. The most transformative potential for lasting change will come from our country's capacity to innovate and align its economic systems with issues the pandemic has surfaced as our top priorities: putting our collective well-being first.

An economy that generates well-being for all people and the planet

A growing body of evidence supports well-being economics — a system that prioritizes the well-being of all people and ensures a healthy planet for future generations. If the well-being of all people and the planet is to be served by an economic system, we must adopt a fundamentally different economic approach as we rebuild following the COVID-19 crisis.¹

Until now, our economic system has been based on a target of Gross Domestic Product. In recent decades, that has pushed many societies into deepening inequality. And it is pushing us all towards ecological collapse.

¹ https://wellbeingeconomy.org/wp-content/uploads/2020/05/Wellbeing_Economics_for_the_COVID-19_recovery_10Principles.pdf

What has become evident, as described in research by the Organisation for Economic Co-operation and Development, “the vision inherited from Kuznets [the co-inventor of GDP] of a mechanical relation between economic growth and societal progress, societal progress, through which modernization effects would at some point translate into lower income inequality and improved living standards for all, has not been borne out by the recent performance of industrialized countries.”²

From local to planetary scales, well-being qualities and conditions can and should be at the core of an economic model that embeds the human economy in a planetary boundaries framework (Figure 1).³ For Canada to thrive in an ecologically safe, just and collectively beneficial way, it needs to be able to generate and distribute social well-being in a manner that does not exceed non-negotiable natural limits and social thresholds.

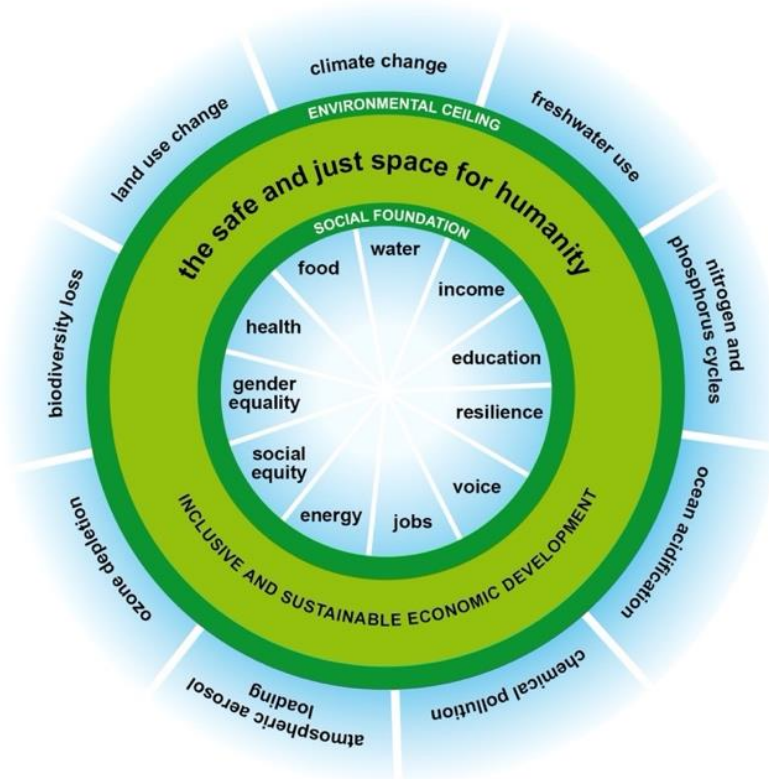


Figure 1: A thriving economy that generates well-being ensures, at its core, a safe and just space for humanity, within Earth’s physical ability to provide today and for generations to come. It requires an innovative economic system to guide our economy in a manner that generates perpetual well-being for all people and the planet.⁴

²[http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=SDD/DOC\(2019\)2&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=SDD/DOC(2019)2&docLanguage=En)

³ <https://www.theguardian.com/commentisfree/2017/apr/12/doughnut-growth-economics-book-economic-model>

⁴ <https://www.kateraworth.com/>

Recommendations for enabling a Canadian well-being economy

The design of Canada's current economic system has unintentionally resulted in a pursuit that considers the maximization of the conversion of resources (human and natural) into financial capital as a proxy for progress and well-being. The COVID-19 pandemic has surfaced deep flaws with that approach. As the government now looks toward rebuilding the economy, this moment allows us to design and implement an economic system with the direct and explicit objective of delivering real, sustainable well-being for all people in Canada and future generations.

Consider these recommendations as analogous with a need to update a computer operating system. Canada has been trying to run 21st century social and environmental sustainability apps on an operating system designed at the end of the Second World War to ensure peace. Since then, an overreliance on GDP-centric economic policy has weakened — and continues to weaken — the ability of governments within Canada and globally to promote decisions that would optimally advance real well-being for all people and the planet. This paper explores some of the features of this overreliance, to help acknowledge and address the deficiencies it causes, such as:

- Underpricing the value and role of nature and under-reflecting the costs (not only monetizable) of pollution, greenhouse gas emissions and ecosystem degradation in economy-focused decision-making.
- Prioritizing cost efficiency over resilience when it comes to providing even basic necessities.
- Implicitly prioritizing access to low-cost goods over worker and human rights and social justice in domestically marginalized communities, vulnerable populations and in Canada's relationships with developing countries.
- Under-investing in human capital and opportunity among certain disadvantaged segments of Canada's population, notably Indigenous and ethnic groups, women and other low-income individuals.
- Over-attention in policy circles to reporting indicators focused on economic factors — economic activity and employment levels.

The recommendations here will allow Canada to respond to the real needs of people within existing, updated sustainability frameworks, such as the Pan-Canadian Framework on Clean Growth and Climate Change,⁵ goals like the Federal Sustainable Development Strategy⁶ and legislation such as the Canadian Environmental Protection Act.⁷

An additional update to our economic system should apply a gender lens to recovery plans, as the Hawaiian government did in its Feminist Economic Recovery Plan for COVID-19.⁸ A Canadian well-being economy would encompass far more critical societal values than exist within our current economic system. It would also greatly benefit from an intergenerational, Seven Generations approach as practiced by Indigenous Peoples to replace the “short-

⁵ <https://www.canada.ca/en/services/environment/weather/climatechange/pan-canadian-framework.html>

⁶ <https://www.canada.ca/en/services/environment/conservation/sustainability/federal-sustainable-development-strategy.html>

⁷ <https://www.canada.ca/en/environment-climate-change/services/canadian-environmental-protection-act-registry/related-documents.html>

⁸ <https://humanservices.hawaii.gov/wp-content/uploads/2020/04/4.13.20-Final-Cover-D2-Feminist-Economic-Recovery-D1.pdf>

terminism” that afflicts governance, politics, business and enterprise and the daily lives of so many.

It is self-evident that to bring about a credible, resilient and purpose-driven economy, Canada will need to take system-level actions. The focus in this paper is on what could constitute a catalytic first stage. We have identified six areas the government can use to shift its economy toward well-being goals, as well as quick-start actions to begin this process.

1) Adopt a guaranteed universal basic well-being support framework

Seventy-five per cent of Canadians support a universal basic income, according to a 2019 Gallup poll.⁸

RATIONALE:

In a time of crisis, individual and household well-being becomes the single biggest concern for people who worry about being unable to meet their most basic needs. When people struggle to make ends meet, they are at a greater risk of mental and physical health issues such as malnutrition or vulnerability to homelessness. These issues become additional costs to public, social and health systems. They also create long-lasting effects on people’s personal well-being and ripple effects into other personal aspects of the economy, such as from unpaid rents or utility bills, etc.

As a key to a post-pandemic well-being economy, we call on the Canadian government to establish a permanent, guaranteed, universal basic well-being support framework for all people in Canada. This would offer governments a powerful tool to directly support people when and how they need it most. For example, in times of emergency, governments could simply top up a guaranteed universal basic well-being support as needed, rather than create new policies or amend existing policies, rules or laws. A guaranteed universal basic well-being framework can either compliment, streamline or replace less-efficient, less-redistributive benefit systems that don’t provide effective, adequate support.

QUICK START ACTION:

The Canada Emergency Response Benefit provides a strong initial framework from which to establish a permanent, cost-of-living adjusted guaranteed universal basic well-being framework that can be tied to a costed analysis of what constitutes a minimum well-being secure lifestyle. A framework would need to address the pervasive inequality in wealth distribution that goes well beyond simple income inequality. Initially, a useful, supportive basic universal well-being framework should include a guaranteed income component that supports the livelihood, employment and learning aspirations of people in Canada and that guarantees a minimum level of quality of life and life satisfaction for all.

Some of the approaches outlined in Recommendation 6 can provide long-term fiscal support for a legacy universal basic well-being framework.

⁸ <https://news.gallup.com/poll/267143/universal-basic-income-favored-canada-not.aspx>

2) Localize and circularize the economy

RATIONALE:

The over-globalization of the economy, while undermining local economies and their social and cultural fabric, has also encouraged overly consumptive, polluting and wasteful pursuits that have resulted in an unprecedented ecological debt without even having achieved collectively distributed prosperity and well-being. The linear, pre-pandemic economic model — chasing the false goal of GDP growth — was not designed to create long-term well-being for all people and the planet. Instead, it aspired to economic growth despite creating social inequities and exceeding natural limits. Social needs and ecological realities were left to be fixed later.

In relatively stable times, the strategy of outsourcing production of essential basic needs such as food and medical equipment to lower-cost producers had its merits — lower prices. However, in uncertain times, it is critical to build resilience into, localize and diversify supply chains for critical goods and services. The current shocks to our economy reveal its vulnerability. We now face a unique opportunity to rethink and find ways to rebalance, especially between global and local economies.

This rebalancing does not require that we localize all aspects of the economy, nor reduce multilateralism with respect to international affairs. Canada is a global citizen. It remains vital for it to be a supportive participant of the global economic network while working intentionally to improve the well-being of all people in the country and the planet.

The opportunity is here to define a post-pandemic Canadian economy that embraces the creative, generative potential of all people in Canada to contribute to society in ways that are meaningful and fulfilling to them. With respect to how the Government of Canada can support employment and livelihoods in its post-pandemic strategy, we propose a series of actions related to livelihoods, enterprise and business.

2a) Enable conditions for localized, common-good economic activities

Before the COVID-19 crisis, the word “caremongering” did not exist. However, within a week of “physical distancing” orders in Canada, many citizens throughout the country formed “caremongering” groups where people volunteered to help vulnerable members of their communities. The movement quickly spread throughout Canada and to other countries. Economic activities like these — that surround community and collective care — should be accounted for in Canada’s post-COVID-19 well-being economy.

RATIONALE:

The Canadian economy requires economic activities that support the common good to ensure long-term social resilience, collective well-being and individual thriving. Common good economies already exist throughout the country at local community levels. They thrive in a strong social and cultural fabric and are the primary contributor to existing levels of social resilience. Common good economies support family and community care, co-operative enterprise, social enterprise and volunteer action. They embrace diversity as a source of creative innovation.

QUICK START ACTIONS:

- Adapt national fiscal policy to fully incentivize and value socially beneficial, culturally aware economic activities that people in Canada have identified as essential during the pandemic — those involving care and community-focused services. Provide more autonomy and fiscal capacity at municipal levels to connect policy with well-being outcomes where people live.
- Innovate national economic performance measures (see Recommendation 3) to favour community wealth (i.e., financial and social capital) rather than an over-dependence on social and natural resource extraction.
- Innovate the national budget framework (see Recommendation 4) to address social and cultural deficits by allowing for socially beneficial and culturally aware economic activities to become formal sectors.

2b) Enable a fiscal framework that ensures a circular/zero-waste economy

RATIONALE:

Although not intentional, the current economic model heavily favours linear, wasteful, polluting economic activities. Built on the basic economic algorithm that a successful economy converts resources to money (i.e., GDP), the majority of current fiscal and general economic measures reward the use of more resources (“economies of scale”) under the guise of efficiency and the false belief that technologies will eventually be available to solve all challenges.

Canada has undertaken important reforms and strategies with respect to carbon pollution and plastic waste. However, the post-pandemic economic system must accelerate such reforms while exploring other fiscal innovations, to permanently embed zero-waste, circular economy principles at the core of our future economic system.

Canada should align the reward and profit outcome to a “less is better” principle to boost innovation. Zero-waste, circular and social economy principles, such as buying local, will reduce Canada’s overall ecological footprint and create a virtuous economic cycle — an increase in desirable jobs, development of new forms of markets, etc.

QUICK START ACTIONS:

- Establish concrete fiscal barriers, such as through tax system reforms, that disincentivize production of low-quality, non-durable goods. Instead, establish clear fiscal incentives that promote and reward the design and production of long-term, durable goods.
- Establish concrete fiscal enablers that significantly promote and amplify the ability of local economies and people to repair, repurpose and reuse goods. This could be done through government grants and funds for municipal/community circular economy and/or industrial symbiosis mapping to support start-up or scale-up enterprises that reuse, refurbish or repurpose goods with recycling as a last resort

for waste avoidance.

- Establish industrial policy and tax incentives contingent on zero waste or waste-minimization, closed loop and circular economy principles, and localization of smaller scale core manufacturing activities such as agro-processing, furniture making, building materials, critical health supplies, hardware and other well-being essential activities. Such policies can be boosted by tax rebates from private sector entities for procurement of local goods from small and medium employers.
- Provide tax rebates for procurement of local goods from SME to strengthen local multipliers and diverse economies while reducing “enclave sectors.”
- Establish a concrete national annual cap on the amounts of low-quality, unnecessary materials allowed to be imported and domestically produced for use in production of non-essential goods and provision of non-essential services.
- Legislate a requirement for full product life cycle accounting on all production to capture environmental costs of production, other externalities and unfunded liabilities (environmental, social and health) currently hidden from real world prices of goods and services.
- Similar to regulations on advertising for tobacco, alcohol and cannabis products, work in partnership with provinces and territories to implement clear marketing and advertising rules that restrict promotion of short-term, unnecessary consumption on products like single-use plastics not already banned and favour longer-term, resilience-building consumption tied to collective and individual health and well-being.
- Adopt fiscal and taxation measures that incentivize socially and environmentally sustainable consumption matched to measures aimed at eliminating over-consumption and unnecessary consumption, while facilitating necessary consumption such as housing, nutrition and health care among marginalized and systemically ignored and under-supported populations.

2c) Enable business and enterprise aligned for societal purpose

RATIONALE:

Canadian corporate law, market structure and investment landscape currently favour the evolution of private enterprise, from innovative start-up to “ever-bigger,” as measured by financial capitalization levels and market share. This fundamental disconnect between enterprise for transformation and enterprise purely for profit exacerbates critical social and environmental realities. For publicly traded companies, the notion of shareholder value primacy has grossly exaggerated the influence of financial capital in the hands of a minority and has placed the value of financial capital over any other metric of value.

This notion of financial capital and shareholder supremacy is disconnected from the daily experience of the economy faced by most people in Canada and is far removed from the social values they ascribe to. No global jurisdiction has been able to show, as proclaimed, that a purely financial profit-directed market system can deliver collective prosperity, let alone do so in an environmentally sustainability manner. In fact, evidence

points to the contrary. Scandinavian countries, often touted as having the least unequal wealth distribution among Western nations, achieve this through highly intentional intervention and regulation by governments.

In Canada's current system, the biggest value attributed to the country's labour force is its manual capacity. Most people in Canada are not required to be creative in their daily work lives. This means the untapped potential for them to solve challenges or creatively lean into opportunities to innovate, is severely undervalued. It is also important to note that structurally, labour (i.e., people) are a cost and liability for corporate accounting. The tension between seeing people and their capacities and competencies as a holistic value, while accounting for labour as a cost and liability, is at odds with long-term goals of social sustainability and well-being.

We call on the Government of Canada to redesign enterprise and frameworks governing the private investment landscape to ensure strong alignment with real societal purpose, value and well-being generation.

QUICK START ACTIONS:

- Formalize the “triple bottom line” framework in corporate accounting standards. Numerous leaders of small to large companies extol the virtues of voluntary commitments on corporate social responsibility as a way to ensure social and environmental sustainability.¹⁰ This well-intentioned volunteerism needs to be legally formalized in Canadian corporate law and integrated in all accounting practices and relevant sections of the Canadian corporate tax code.
- In a phased manner, update the definition of “shareholder,” as recognized in law, in the tax code and accounting standards, to be significantly more democratic and representative of society at large. There is no longer a rational justification for the maximization of a 20th century definition of “shareholder value” to continue to be the sole measure of successful business.
- Through legal statute, corporate law and tax code reform, establish innovative, socially aligned, for-purpose business models as the preferred and most rewarded models. For example, offer lower corporate taxation and preferred status for government loan programmes, investment and procurement competitions. Meaningful, purpose-driven business models such as social enterprise,¹¹ certified B corporations, credit unions, community interest companies and low-profit limited liability companies have existed in different jurisdictions for some time. However, they are significantly marginalized by a system that preferentially recognizes financial profit and return and market share growth through hyper-consumption as the dominant metric of success.
- Update corporate law and other relevant legislation to advance the democratization of corporate governance from companies that produce goods to financial institutions and investment firms that control capital. The connection between societal good and financial motivations is currently severely lacking. In some European jurisdictions, employees are obligated to be represented on corporate boards. This provides an

¹⁰ <https://www.weforum.org/agenda/2020/01/its-time-for-a-radical-rethink-of-corporate-purpose/>

¹¹ [MaRS Discovery District 2011 Report: Social enterprise in Canada: Structural options](#)

avenue of influence between employee well-being and corporate purpose. The link between sound societal purpose can be further enhanced by innovating and formalizing mechanisms that integrate citizen and/or societal representatives to all corporate boards.

2d) Improve work-life balance

A recent survey found that 88 per cent of Canadians would take a four-day workweek if their employer offered it.¹¹

RATIONALE:

The COVID-19 pandemic has had a profound impact on the way conventional work can be done. As Canada transitions to the other side of it, promoting an improved work-life balance would provide a range of benefits for workers and employers. We recommend that the Government of Canada, in collaboration with provinces, territories, Indigenous nations and private sector partnerships, take significant steps to redefine and align the work-life balance of people in Canada from a well-being perspective. A holistic, well-being-focused transformation of work-life balance leads to significant health benefits, contributes to gender equality, improves work redistribution and can have important environmental co-benefits (e.g., reduced emissions from commutes).^{13,14,15}

QUICK START ACTIONS:

- Implement a four-day workweek where feasible, within the public service. A four-day workweek can serve to boost employment levels and has been shown to increase performance and motivation. A four-day workweek implemented by the federal civil service would have co-benefits including health and well-being improvements, and long-term health care cost savings due to prevention. It would also cut pollution and GHG emissions.
- Apply fundamental labour code, taxation and payroll standard reforms to allow for broader, more inclusive employment options across all sectors. This would enable greater participation of all people in the work economy and provide options that best suit a range of personal life circumstances.

EXAMPLE:

The state of Utah experimented with a four-day workweek for all government workers between 2007 and 2011. It saved US\$1.8 million in energy costs within the first 10 months, and estimated a reduction of GHGs emissions by about 10,900 tonnes (12,000

¹² <https://www.theglobeandmail.com/business/careers/leadership/article-what-would-it-take-to-get-to-a-four-day-work-week/>

¹³ <https://davidsuzuki.org/story/we-need-to-work-less-to-live-better/>

¹⁴ <https://neweconomics.org/campaigns/shorter-working-week>

¹⁵ <https://www.weforum.org/agenda/2019/01/2-davos-experts-says-it-s-time-to-switch-to-a-four-day-working-week/>

tons) per year.¹⁶ The experiment ended in 2011 with a change in government.

The David Suzuki Foundation has had a four-day workweek (with full pay and benefits) for over a decade. Staff members routinely note this as one of the most attractive benefits, saying the added family and leisure time significantly contributes to their overall well-being. Staff performance has remained consistent or improved over time.

3) Formalize a system of national well-being accounts

RATIONALE:

In a 21st century, post-pandemic Canada, “gross domestic well-being” needs to be the primary purpose of our economies, from national to local. People in Canada can no longer afford to have GDP be the dominant policy-making tool governments rely on to define economic success. A credible and relevant “system of well-being accounts,” as an evolution of the outdated System of National Accounts, will fundamentally shift how we track economic performance and success and which job sectors, livelihoods and economic activities we invest in. A system of well-being accounts informed by diversity in all its forms and that internalizes finite natural limits will be a critical building block for a well-being economy.

Effects of a nationally led shift in economic purpose will inevitably trickle down to other levels of government, gradually helping realign the purpose of business and enterprise (see Recommendation 2c) and support a more holistic redistribution of financial wealth. It will positively affect how and why we invest as a country to grow the well-being qualities that allow people to thrive collectively within nature’s limits. As the Charter of Rights and Freedoms amplifies key values we all share, so can a system of well-being accounts ensure those values and others are embedded in our core economic purpose.

QUICK START ACTIONS:

- Undertake innovating of a made-for-Canada “system of well-being accounts.” We propose that relevant government departments, including Statistics Canada and the Department of Finance Canada, accelerate their examination of the diversity of alternative economic accounting practices with a particular focus on those that capture a more pluralistic, qualitative assessment of economic success. Examples of well-being accounting frameworks include:
 - The Canadian Index of Wellbeing¹⁷
 - The Nova Scotia Quality of Life Initiative¹⁸
 - Examples of genuine progress indicators
 - New Zealand Wellbeing Budget¹⁹
 - The Happy Planet Index²⁰
 - OECD Better Life Index²¹

¹⁶ <https://www.independent.co.uk/environment/bank-holiday-three-day-weekends-climate-change-environment-working-hours-a7215421.html>

¹⁷ <https://uwaterloo.ca/canadian-index-wellbeing/>

¹⁸ <https://engagenovascotia.ca/>

¹⁹ <https://treasury.govt.nz/sites/default/files/2019-05/b19-wellbeing-budget.pdf>

²⁰ <http://happyplanetindex.org/>

²¹ <http://www.oecdbetterlifeindex.org/#/11111111111>

- Doughnut Economics, social and planetary boundaries²²
 - Deutsche Bank Research, the many elements of happiness and well-being²³
 - Genuine Wealth Accounting²⁴
 - Gross National Happiness, applied by the Kingdom of Bhutan since 2008²⁵
- Compliment or replace GDP with a new, made-in-Canada “well-being focused” economic performance metric, a logical outcome of a system of well-being accounts that would emerge when amplifying specific well-being-focused economic outcomes. Though we are not proposing a specific solution at this stage, the above examples provide clear inspiration for thinking differently about economic purpose that meets the needs and desires of people in Canada.
 - Gather people’s direct participation in establishing a new well-being accounts system. Unlike the 1944 Bretton Woods conference, attended by fewer than 800 homogenous delegates, the Government of Canada has the convening power to source the country’s geographic, cultural, ethnic and societal diversity to design the architecture of our well-being economies. Unlike the highly exclusive, non-democratic process at the end of the Second World War, an inclusive, direct-democracy approach would empower public officials with clear social license to adapt and innovate economic purpose ambitiously, decisively and in a manner fully aligned with the expressed desires and values of people in Canada.

4) Establish a well-being-focused budgeting and governance framework

RATIONALE:

Our national budget is the government’s primary instrument to set the national policy agenda and investment priorities that aim to improve Canadian living standards. Prior to the COVID-19 crisis, Canada’s economic performance was heavily weighted on the false theory that economic growth as measured by GDP would generate and distribute prosperity and well-being. During the COVID-19 crisis, many activities important to GDP growth were suspended, and specific, sustained intervention by government — not the markets — was required to ensure the necessary measures of support could be provided.

In times of crisis, essential services to support minimum standards of well-being are clear. A national budget should focus not only on ensuring a minimum standard, but on guiding government and society to invest in the growth of meaningful outcomes that enhance collective well-being. To ensure well-being, as defined by and with the people of Canada, becomes the centrepiece of our post-COVID-19 economic success, we recommend the design and permanent implementation of a well-being-focused national budgeting and governance framework.

²² <https://www.kateraworth.com/doughnut/>

²³ <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.175.7811&rep=rep1&type=pdf>

²⁴ <http://anielski.com/wp-content/documents/Genuine%20Wealth%20Communities.pdf>

²⁵ https://www.hs-osnabrueck.de/fileadmin/HSOS/Studium/Studienangebot/Weiterbildung/Seminare-und-Lehrgaenge/Gross_National_Happiness/Final_report_-_Happiness_Towards_a_New_Development_Paradigm.pdf

4a) Adopt a Canadian well-being national budget

RATIONALE:

Many countries around the world have begun to look at different ways of measuring success to better reflect the well-being of their people. In 2019, New Zealand introduced the first well-being budget among the Commonwealth group of nations.²⁶ Now is the time for made-for-Canada well-being national budgets that fundamentally support an economy responsive to what people here — from diverse perspectives — value most in order to thrive.

QUICK START ACTIONS:

- Design a “Canadian well-being monitoring tool.”²⁷ This would support a more relevant and appropriate assessment of policies, investments and project processes than can be offered by current overly simplistic “value for taxes” or “value for money” methods. The New Zealand Treasury’s Living Standards Framework (that tracks progress of its Wellbeing National Budget) can serve as an example for initial inspiration.²⁸
- Design and implement a national budget development process that identifies evidence-supported well-being deficits. By applying the “Canadian well-being monitoring tool,” each budget item would be subjected to a well-being analysis. Budget items that risk reducing the well-being of people in Canada would become visible, allowing an opportunity to address, rather than exacerbate, deficits. Ultimately, governments could demonstrate the “value for taxes” of programs, services and actions in terms of objective measures of well-being, as well as subjective or perceived well-being impacts derived from annual or regular well-being surveys.

4b) Formalize a well-being decision-making mechanism

RATIONALE:

Current economic and budgetary decision-making at the federal, provincial and territorial levels remains segregated. This inhibits transformative actions that governments could undertake in a more systemic, holistic manner. Publication of federal ministerial mandate letters has gone a long way to making the needed interconnections between departments to achieve successful desired outcomes.

The COVID-19 crisis has demonstrated the transformational potential for governments to work cohesively to achieve specific well-being outcomes related to health and security. The pandemic has suspended those economic performance goals that had dominated decision-making processes. We have witnessed a re-democratization of government actions at all levels and a diffusion of partisanship on issues of well-being — those issues universal to all people in Canada.

²⁶ <https://treasury.govt.nz/sites/default/files/2019-05/b19-wellbeing-budget.pdf>

²⁷ E.g.: Hayden, Anders. 2015. "Bhutan: Blazing a Trail to a Postgrowth Future." *The Journal of Environment & Development*. 24 (2): 161-186.

²⁸ <https://lsfdashboard.treasury.govt.nz/wellbeing/>

Canada's cohesive, multi-scale, collaborative, dynamic and responsive decision-making approach to the pandemic stands out globally as an example to inspire further innovation for a fully operationalized well-being decision-making framework.

QUICK START ACTIONS:

- At the federal level, establish an all-parties "well-being commission" made up of cabinet members, representatives of all elected parties, and leaders representing Indigenous nations, with the mandate to steer national development and public investment in a way that meets well-being outcomes defined by a national well-being budget. A made-for-Canada version of well-being decision-making frameworks already in place in other jurisdictions, such as New Zealand, Scotland, Iceland and the Kingdom of Bhutan, would break down decision-making silos to allow for permanent, system-wide alignment of economic priorities with people's well-being values.
- At the level of Confederation, in partnership with the provinces, territories and Indigenous nations, seek to establish (in close consultation with Indigenous leadership), a "council of Canadian and Indigenous well-being." This would include appropriate public membership based on a representation of Canada's rich cultural diversity, perspectives and circumstances. It would have a clear, legislated mandate to steer longer-term well-being policy priorities, and would have the fiscal, budgetary, taxation, legislative and legal reforms needed to ensure desired outcomes. It would lead a participatory policy design process to develop context-specific communities to national well-being mandates fully informed by a diversity of perspectives and ways of knowing.
- Establish a well-being auditor, ombudsperson or a reporting body to produce a regular state of well-being report for Canada based on well-being data collection.

5) Accelerate meaningful nation-to-nation reconciliation

RATIONALE:

Indigenous Peoples in Canada (First Nation, Métis and Inuit) aspire to build thriving, resilient economies of well-being and taking a legitimate seat at Canada's economic table. Estimates indicate the Indigenous economy could exceed \$100 billion in the next few years.²⁹ Now is the time to build a partnership of mutual respect and shared prosperity between Canada and Indigenous nations that enables self-determination with flexible approaches to developing economies of well-being.

QUICK START ACTIONS:

- The Government of Canada, in co-ordination with the provinces and territories, and as part of an authentic nation-to-nation relationship, should work directly with Indigenous nations to orient community planning and other strategic investments in well-being-based outcomes. The application of a well-being-based approach to community planning and annual operating budgets could become a model for other Canadian communities and

municipalities.

- The Government of Canada, in co-ordination with the provinces and territories, and as part of an authentic nation-to-nation relationship, can support Indigenous nation efforts to develop and establish an Indigenous-led “economic freedom index” that reflects the diverse values, traditions and ways of knowing that contribute to tangible well-being.

EXAMPLE:

Several First Nations have begun to look at different ways of community planning and annual budgeting that reflect the well-being of their people, culture, traditions and traditional lands. In January 2020, the Opaskwayak Cree Nation in Manitoba and the K'ómoks First Nation in British Columbia began to develop community plans by conducting a well-being baseline assessment of their people, cultural traditions, land/natural assets, infrastructure and financial assets. Their assessment will evolve a community-wide well-being survey of adults and youth. The outcome will be a prototype well-being asset “balance sheet” and well-being budget. Now is the time for well-being budgeting and accountability for value of programs and services linked directly to well-being outcomes.

6) Reduce inequality and enhance long-term well-being by ensuring equitable flows of asset and financial wealth

RATIONALE:

The COVID-19 crisis has highlighted the corrosive effects of our current system’s concentration of financial and asset wealth. Such concentration significantly amplifies injustice and inequality for the many. Post-COVID-19 build back better strategies must include a re-examination of asset and financial wealth flows in society. Although access to material and financial wealth is a vital component of well-being, overaccumulation and concentration is a crippling burden on governments people rely on.

Combined federal, provincial and municipal governments as well as the private sector are poised to spend many hundreds of billions to re-capitalize the Canadian economy. In the pre-pandemic system, those funds would have flowed quite linearly through the economy, landing in the hands of a few. Governments have the responsibility and capacity to create fiscal regimes and financial systems that maximize the equitable flow of capital while discouraging accumulation or stockpiling.

QUICK START ACTIONS:

- Prohibit access to government-issued emergency, stimulus and recovery funds and investments to any business, entity or individual registered in “offshore tax havens.” A growing number of countries, such as France and Denmark, are establishing strict measures to ensure public money is not siphoned away to offshore accounts. We recommend permanent restrictions on support to businesses, companies, entities and individuals registered in offshore tax havens.
- Commit to ensuring people in Canada, through governments, gain equity stakes in corporate entities that require public funding support. Government involvement in corporate governance is a valuable way to help guide business actions that increase collective well-being, help promote societal self-sufficiency and build resilience to shocks

like future health and environmental crises.

- Implement a “currency transaction tax” (often referred to as a “Tobin tax”), in partnership with the financial sector, provinces and territories, to reduce concentration of financial capital stalled in sub-sectors of the financial system that do not support well-being. A well-designed, broadly agreed currency transaction tax will support recapitalization of common good sectors and allow for social and environmental well-being deficits (see Recommendation 4a) to be addressed in a manner that can boost meaningful, desirable employment while avoiding prolonged burden on public finances at all government levels. Such a tax should especially focus on high-frequency trading, as initiated by Italy in 2013, which provides no generation of tangible value let alone collective well-being.
- In partnership with the provinces and territories, design and implement a “wealth tax” framework to direct wealth where it will do the most good. While the post-COVID build back better fiscal strategies may involve examining a number of taxation options, the easiest and fairest to implement immediately is a tax targeting unnecessary over-accumulation of wealth. Although the focus should initially be on Canada, the post-COVID-19 era presents a pivotal moment for global governments to agree on an international wealth redistribution framework that ensures cross-border consistency and removes behavioural incentives for avoidance and jurisdictional skipping.
- Issue government-backed well-being bonds³⁰ as a mechanism to raise capital for specific well-being measures and offset inflation risk associated with quantitative easing measures. For example, an initial round of well-being bonds in New Zealand raised approximately \$526 million (NZ\$600 million) to support building affordable, healthy homes for the most vulnerable. In Canada, the amount raised would be far higher.
- Consider options for targeted personal and public institutional debt forgiveness. Student debt should be the first target, due to its crippling effect on start-up career mobility on our most creative, innovative demographic. Jurisdictions like Scandinavia, Germany and France, in which tuition for higher education is either non-existent or negligible, consistently demonstrate lower levels of wealth inequality than Canada.
- Increase the diversity and availability of the types of financial institutions and mechanisms that align with people’s well-being values in Canada, through legislation, tax code reform and reform of other relevant statutes and regulations.³¹

EXAMPLE:

Canada could innovate and improve on experiences from pre-1974 where the Bank of Canada purchased the Government of Canada’s debt (only when needing to run a deficit) at zero interest or no cost. The result was that Canada’s debt-to-GDP ratio remained stable at 150 per cent between 1950 and 1973. In 1974, Canada allowed private markets (banks, investment firms) to purchase Government of Canada debt (bonds), transferring wealth to private markets through payment of interest on them.

³⁰ <https://www.bloomberg.com/news/articles/2019-09-11/wellbeing-bonds-are-latest-name-in-surging-good-debt-market>

³¹ E.g. Global Alliance for Banking on Values: <http://www.gabv.org/>

Canada could accelerate what the Bank of Canada has now started: the buyback of government debts from the private sector. This would extinguish previous debts where any government debt (if necessary) could be purchased and thus extinguished or held indefinitely by the Bank of Canada, giving government better control on inflationary pressures and intergenerational equity. In theory, Canada could extend this “debt jubilee” or forgiveness to the provinces, municipalities and individuals (i.e., student debt to free up the next generation of innovators and leaders). This would democratize money where its creation becomes a legitimate common good or a form of utility for all citizens, without incurring accumulated debt through compound interest payments on debt created by private banks.