The Wellbeing Reflex:

Facing Covid with a 21st century compass

WELLBEING ECONOMY ALLIANCE

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June 2022

1.Introduction

As the world's attention slowly shifts away from the Covid-19 pandemic and the deep trauma and crises it produced, we are left to wonder what lessons we have learnt. Why were so many countries unable to safeguard the health and wellbeing of their people? And, even more importantly, what can we learn from the societies that were able to effectively navigate and minimise the negative effects of the pandemic?

Learning from our responses to Covid is critically important for three reasons: first, the toll from Covid is far greater than previously thought (as many as 18 million deaths are estimated, a staggering 16% excess mortality[1]); second, new variants are still rocking societies around the world; third, new pandemic shocks are virtually certain in the near future given the ongoing destruction of ecosystems and biodiversity.[2]

Crises are battlefields for ideas that change narratives across the world. The Covid crisis is no exception: we have seen a number of Covid narratives emerge, most of which are not robust – and thus not helpful to make sense of our complex and increasingly chaotic world – and some of which are just toxic. For too long, we have prioritised economic growth above all else and enshrined the economic narrative of "trade-offs" such as 'health vs the economy' or 'mental vs physical health' to inform our public policy approaches. What has become clear is that the economic narratives of the past functioned to undermine our capacity to overcome one of the greatest crises of our time.

Yet, amongst this chaos, we can find hopeful examples of countries that were able to effectively navigate the Covid-19 pandemic by prioritising the wellbeing of their populations over the economy – because we *are* the economy and it cannot flourish if we are unwell.

This paper examines how New Zealand, Finland and Bhutan were able to successfully contain the initial waves of Covid (2020-2021) by taking a Wellbeing Economy approach. In each of these case studies, we present evidence that a commitment to wellbeing (over economic growth) resulted in favourable outcomes for both public health and economic performance. Understanding how these countries compare with others that adopted counterproductive responses in an effort to protect their economies will help design future public policies to foster human wellbeing in our century of ecological crises (WEAll, 2021; Laurent et al. 2022).

1. Haidong Wang et al., Estimating excess mortality due to the Covid-19 pandemic: a systematic analysis of Covid-19-related mortality, 2020–21, The Lancet, Volume 399, Issue 10334, 2022, Pages 1513-1536.

2. Lawler OK, Allan HL, Baxter PWJ, Castagnino R, Tor MC, Dann LE, Hungerford J, Karmacharya D, Lloyd TJ, López-Jara MJ, Massie GN, Novera J, Rogers AM, Kark S. The Covid-19 pandemic is intricately linked to biodiversity loss and ecosystem health. Lancet Planet Health. 2021 Nov.

2. How the economic "trade-offs" narratives undermined an effective Covid-19 response

One of the core tenants of mainstream economics is the concept of trade-offs. Trade-offs, of course, do exist and should be an important consideration in decisions involving limited resources. If a household must spend a higher proportion of their market income on rising rents, for example, they might reduce spending on other items such as heating and food. If a national government increases the share of its spending on health, it might economise in other policy areas or borrow against future tax revenue. But trade-offs can be deeply misleading when they serve as short-term quick fixes for optimality-seeking policymakers unwilling or unable to recognise human wellbeing interconnections. The "trade-offs" narrative actually explains many countries' inability to handle Covid and recognise the interrelated nature of the societal dimensions they were striving to balance.

First narrative: health vs "freedom"

In the early weeks of its emergence, the fast-developing Covid pandemic triggered a first narrative based on an alleged trade-off between civil liberties and social control of infections. Based on the very first lock-down experience imposed on millions by the authoritarian Chinese regime in the mega-city of Wuhan on January 23rd 2020, democratic nations were invited to follow suit and acknowledge the fact that to mitigate Covid, freedom had to be compromised.

The first, essential, problem with this narrative lies with its definition of freedom, which cannot be equated with the right to harm others or to impose the negative consequences of one's own behaviours on others – but includes responsibility toward the community, a principle at the heart of public health policies. In this sense, a restriction on freedoms in the face of a global pandemic can actually be liberating, while a laissez-faire approach can be constraining.

These theoretical considerations bring us to the second, empirical, problem with this narrative: countries that prioritised health actually ended up imposing lesser restrictions on freedoms, as measured by the Oxford Stringency Index. In contrast to this, countries that neglected health indicators and imposed lighter restrictions on economic activity (remote work, curfews, etc.) had to ultimately impose greater restrictions

on civil liberties and political rights (freedom of assembly, mobility, etc.), as shown by Oliu-Barton et al (2021). The brutal images of the Shanghai lockdown in the Spring of 2022 ended up completely dismantling the health vs. freedom narrative, with millions of Chinese and foreigners being visibly deprived of both.

Second narrative: health vs "the economy"

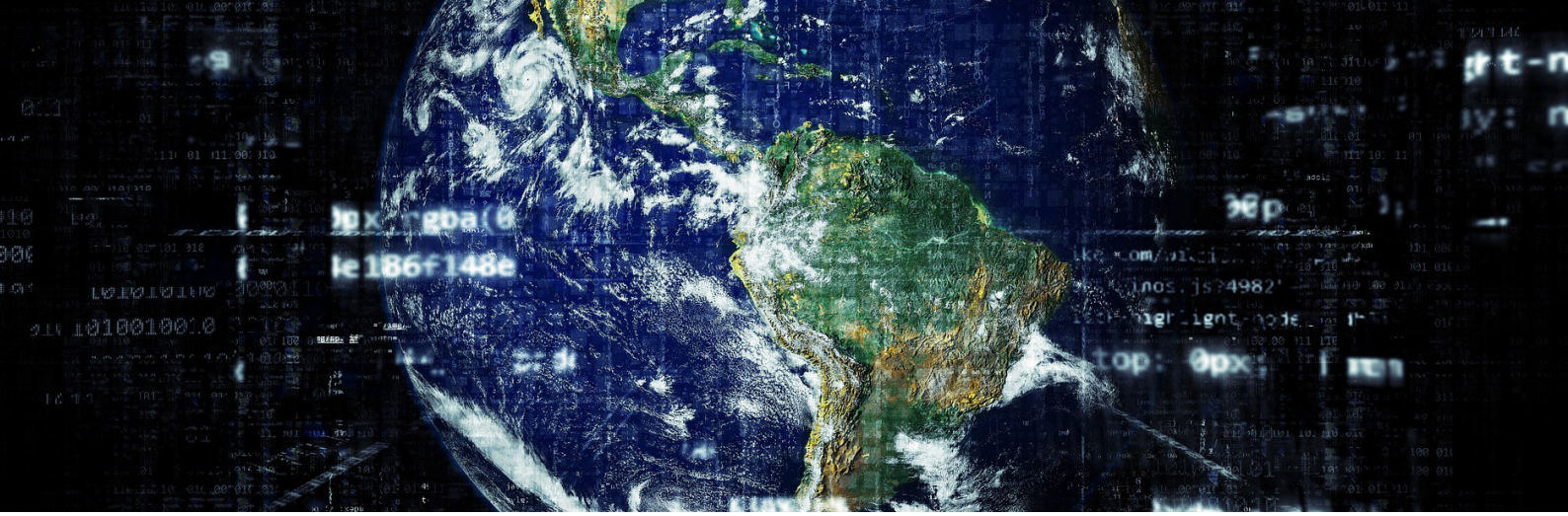
The second narrative that emerged early in the pandemic claimed that countries were confronted with a blunt, unavoidable choice between "saving lives" and "saving the economy" (or, as the Financial Times expressed it on a graph plotting the loss of lives against the loss of production measured by GDP – between preserving "lives" or "livelihoods").

Two years down the road, the initial claim that countries could only save their economies or save lives has been proved false. There has been no trade-off between the economy and health since March 2020: either countries have preserved both, or they have hurt both. A Molinari Institute Report shows that France is the very counter-model of the health–economy double penalty (Philippe and Marques, 2021a and 2021b for an update). Countries that prioritised health ended up winning on all fronts (New Zealand, Finland, Iceland, etc.), while countries that prioritised economic activity lost on all fronts (United States, United Kingdom, Italy, France, etc.).

Third narrative: mental health vs physical health

The third narrative, that took hold later in the pandemic, during lockdown fatigue, seems more convincing than the two previous ones. It argues that saving lives can come at the price of harming minds. Emergency lockdown policies implemented to avoid hundreds of thousands of deaths are policies of de-socialisation which came at an exorbitant cost for wellbeing, starting with mental health and happiness, to which social life and social bonds are critical. In theory, thus, lock-down policies pit physical health against psychological health: repeated and prolonged restrictions on social cooperation and social bonding strongly affect psychological balance and individual happiness.

There is in fact ample evidence that people have experienced increased anxiety and depression during Covid because of lockdowns (OECD, 2021), making it even more important to limit the duration of lockdowns. This is precisely why, here again, trade-offs appear misleading. As we have seen, countries that have prioritised physical health ended up imposing stricter but shorter restrictions on social connection, so that mental health – indeed dependent on social ties – was better preserved. For instance, France ended up imposing 60% more restrictions compared to New Zealand between March 2020 and March 2021, as the following section discusses.



3. The holistic wellbeing narrative

Trade-off narratives create false dichotomies and suggest that policymakers must sacrifice the best public health response in order to reduce damage to other dimensions of wellbeing. This is a common but serious mistake that adversely affected wellbeing across the world, and has the potential to continue doing so in the future. Instead, a holistic wellbeing narrative recognises that the economy is simply people socially interacting together, participating in an important but not deterministic part of overall human activity (Dalziel, Saunders and Saunders, 2018, chapter 5) and that the best way to save the economy is by saving lives first (Alveda, Ferguson and Mallery, 2020).

The holistic wellbeing narrative presents what is really a simple idea: wellbeing is a term that captures a pluralistic but holistic vision of all important dimensions of human existence. Amongst them, health and happiness stand as key dimensions. Consequently, *Table 1* presents data on twenty countries most affected by the pandemic between March 2020 and March 2021, in terms of deaths per capita. The data show three wellbeing indicators: deaths due to Covid per capita, Covid infections per capita and the severity of lockdown policies, assessed on a scale of 0 to 100. The first two statistics are measures of public health and the third statistic is a measure of imposed isolation (or social distancing) and, as a consequence, of deterioration in mental health and happiness.

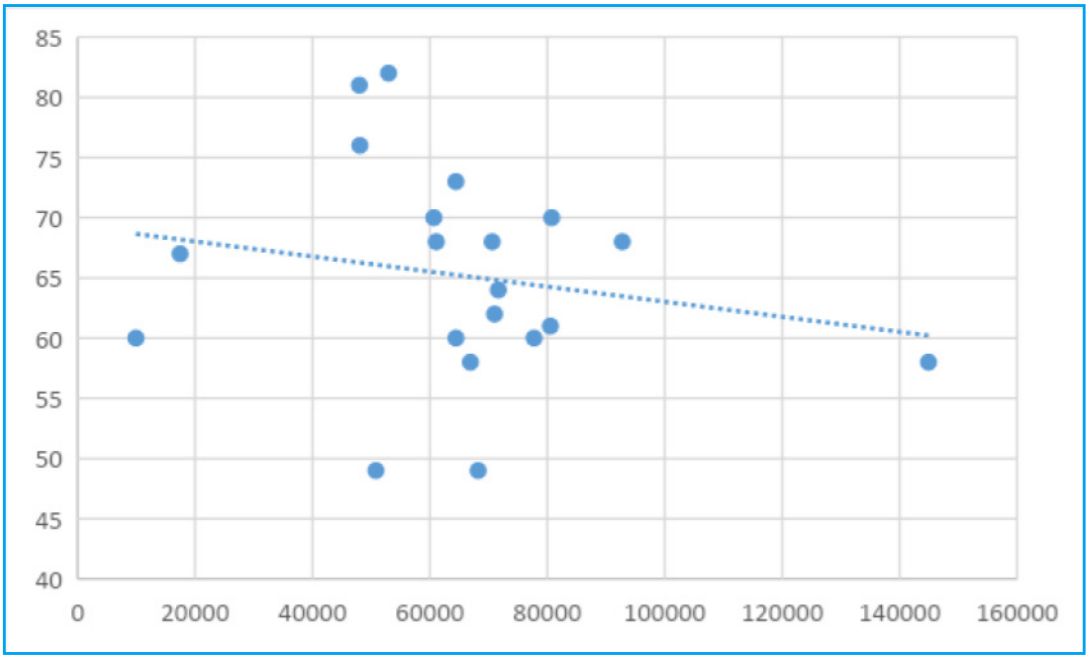
Although lockdown policies have proven to be particularly effective in breaking successive waves of the Covid-19 pandemic across the world, countries which have imposed strict movement and gathering restrictions have only marginally succeeded in containing Covid infections and deaths (see also Figure 1).

Table 1. Three health indicators of the Covid crisis, March 2020–March 2021

	CUMULATIVE DEATHS 100K POP	CUMULATIVE INFECTIONS 100K POP	AVERAGE STRINGENCY INDEX*
Czech Republic	253	144,915	58
Hungary	220	71,010	62
Belgium	203	77,742	60
Slovenia	197	9,934	60
Bulgaria	192	50,803	49
UK	191	64,429	73
Italy	183	60,671	70
Slovakia	183	66,899	58
United States	170	92,767	68
Peru	165	47,991	81
Portugal	164	80,745	70
Spain	162	70,602	68
Mexico	162	17,455	67
Brazil	158	61,089	68
Croatia	147	68,211	49
Poland	144	64,432	60
France	144	71,656	64
Sweden	133	80,520	61
Colombia	129	48,075	76
Argentina	126	52,958	82

Source: John Hopkins University and Oxford Stringency Index.
** The index includes a scale from 0 to 100; a higher number signifies more restrictive policies.*

Figure 1. Number of Covid infections vs. stringency index for the 20 most affected countries, March 2020–March 2021

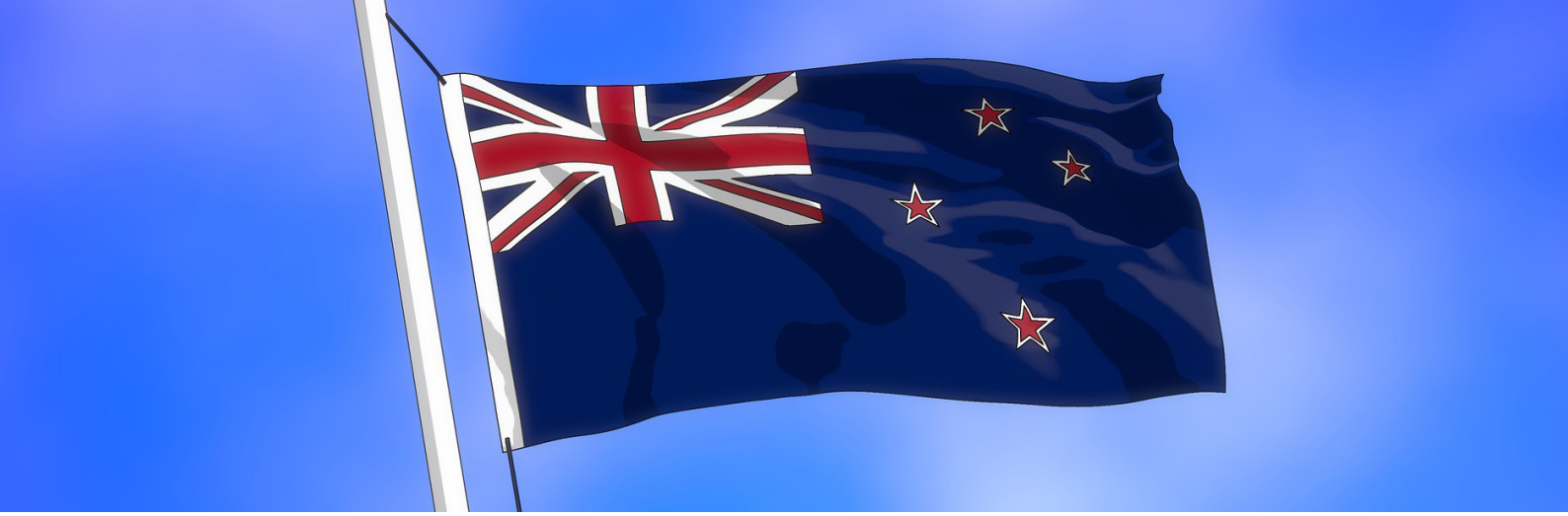


Source: JHU and Oxford Stringency Index, author's calculations. Laurent (2021).

This paradox is explained by the timing of containment policies: the countries that were worst affected in terms of physical health were those that allowed infections to explode (inevitably followed by an acceleration of deaths) before enforcing restrictions on social mobility. France, for instance, is ranked eleventh in the world in terms of the severity of its containment policies, but the country was still unable to contain rampant infections during each of the three waves between March 2020 and March 2021, totalling more than 105,000 deaths.

In fact, Oxford researchers developed "The Oxford Covid-19 Government Response Tracker (OxCGRT)", (Hale, 2021) with data from March 2020 to March 2021, identifying six countries that proved unable to design an effective and coherent strategy against Covid-19 and, therefore, were tossed from one wave to another: the United States, the United Kingdom, South Africa, Iran, Brazil and France. Conversely, they highlight the health and economic successes of countries markedly less well-endowed in health care capacities, such as Mongolia, Thailand and Senegal. The following sections look at three countries that were amongst the most successful nations in reducing the public health consequences of Covid: New Zealand, Finland and Bhutan.

Whilst most countries in the world continue to evaluate their societal progress by GDP and economic growth rates, these three countries have recognised that what truly matters is our collective wellbeing now and for generations to come. Bhutan was a pioneer in prioritising wellbeing as early as 1972, while New Zealand and Finland are contemporary trailblazers, participating in the Wellbeing Economy Governments partnership, or **WEGo**. Our belief is that New Zealand, Finland and Bhutan's prioritisation of wellbeing facilitated an effective Covid response – one that resulted not only in the preservation of human life and the various dimensions of human health, but also in important social, economic and political co-benefits, hence the notion of a "Wellbeing reflex".



4. New Zealand

The roots of the wellbeing reflex

The direct policy focus on wellbeing did not emerge from a vacuum. The seeds were sown in 1984 when an earlier government embarked on what became a decade of economic reforms (Dalziel, 2002). Following advice that the economy at the time had continued "to display one of the most lacklustre performances among any country in the developed world" (Treasury, 1984, p. 103), the government introduced wide-ranging reforms with little regard for impacts on current wellbeing. At the peak of the reforms, for example, the country's unemployment rate approached 11 per cent in 1991 and moved well beyond 25 per cent among Māori and Pacific Island populations (Dalziel and Lattimore, 2001, Graph 9.3 and Graph 3.3).

Despite the individual and community distress during that decade, the consensus amongst economists was that the reforms were a success. By 2008, some of that confidence had slipped, as measured productivity remained well below that of comparable countries. A change of government in the election that year resulted in a renewed focus on increasing economic growth, believed to deliver higher incomes, better living conditions, and a stronger society. The Government continued to increase investment in public health and other contributors to wellbeing; nevertheless, the priority and driving goal was to grow the economy, as reflected in policies such as the Business Growth Agenda (New Zealand Government, 2015).

Nine years later, the 2017 general election produced another change of government. The greater concerns about healthcare, housing, the environment, and the impacts of high immigration contributed to three centre-left parties negotiating a coalition government (Vowles, 2020). Its economic strategy moved away from growth, recognising the need to measure success in new ways, and focused on how to improve the wellbeing and living standards of all citizens in New Zealand.

This was a clear commitment to what has been called wellbeing economics (Dalziel, Saunders and Saunders, 2018) or the Wellbeing Economy (WEAll, 2021). The Government continued to support economic activity; nevertheless, it implemented policies that demonstrated its willingness to accept a lower level of economic growth to protect the natural environment (including climate change mitigation) and to enhance other contributions to wellbeing (Dalziel and Saunders, 2020).

The primary reason for the new approach was an increasing recognition that economic growth, *per se*, could not be relied upon to promote universal wellbeing (Stiglitz, Sen and Fitoussi, 2009). Thus, the narrative around the 'success' of the 1984-1994 reforms had changed to include the long-term damage they had imposed on the wellbeing of large sections of the population (New Zealand Government, 2019, p. 8):

The consequences of these reforms were mixed. The economic slide of New Zealand was halted, but some of New Zealand's intractable social problems, with inter-generational poverty and rural dislocation, can be traced back to this time. Those who were able to adjust and take advantage of the resultant new opportunities prospered, while those who could not were often left behind. Traces of this remain in our labour market today, with Māori and Pasifika overrepresented in low-skilled and low-wage work and with higher rates of unemployment than the rest of the population.

An indicator of these wellbeing sacrifices is the child poverty rate.[3] On this measure, the child poverty rate in New Zealand increased from 14 per cent to 24 per cent during the reforms (between 1984 and 1994) and was still at 23 per cent in 2014 (Perry, 2019, Table H.2C, p. 166) despite two decades of economic growth.

Health and wellbeing as priorities of the Government's response strategy

New Zealand adopted an immediate response to the Covid pandemic by implementing a strategic response within a framework that prioritised the immediate health and wellbeing of citizens. The Government described its strategy as 'go hard, go early' (Ardern, 2020) and policy advice was led by public health experts, supported by Treasury economists who designed an effective wage subsidy scheme to maintain incomes through the weeks of lockdown.

The first Covid-19 case in New Zealand was reported on 28 February 2020 (New Zealand Government, 2021) and, in mid-March, the Government closed the borders to all but New Zealand citizens and permanent residents. Within a week, an Alert Level system was implemented, requiring most residents to stay at home, with exceptions for 'essential workers' and for activities such as local physical exercise and shopping for necessities, while public health precautions were observed.

Prioritising health and wellbeing was not an inevitable approach. An alternative Plan B was introduced by a small group of New Zealand academics, suggesting a policy response closer to strategies implemented in many countries where Governments hesitated to impose hard lockdowns, believing that would minimise adverse impacts on the economy. This policy response argued that a prolonged lockdown is likely to cause greater harm than the virus itself (Thornley et al., 2020, p. 1), with consequences like high unemployment leading to poverty, hunger, depression and lowered life expectancy (Chaudhuri, 2020).

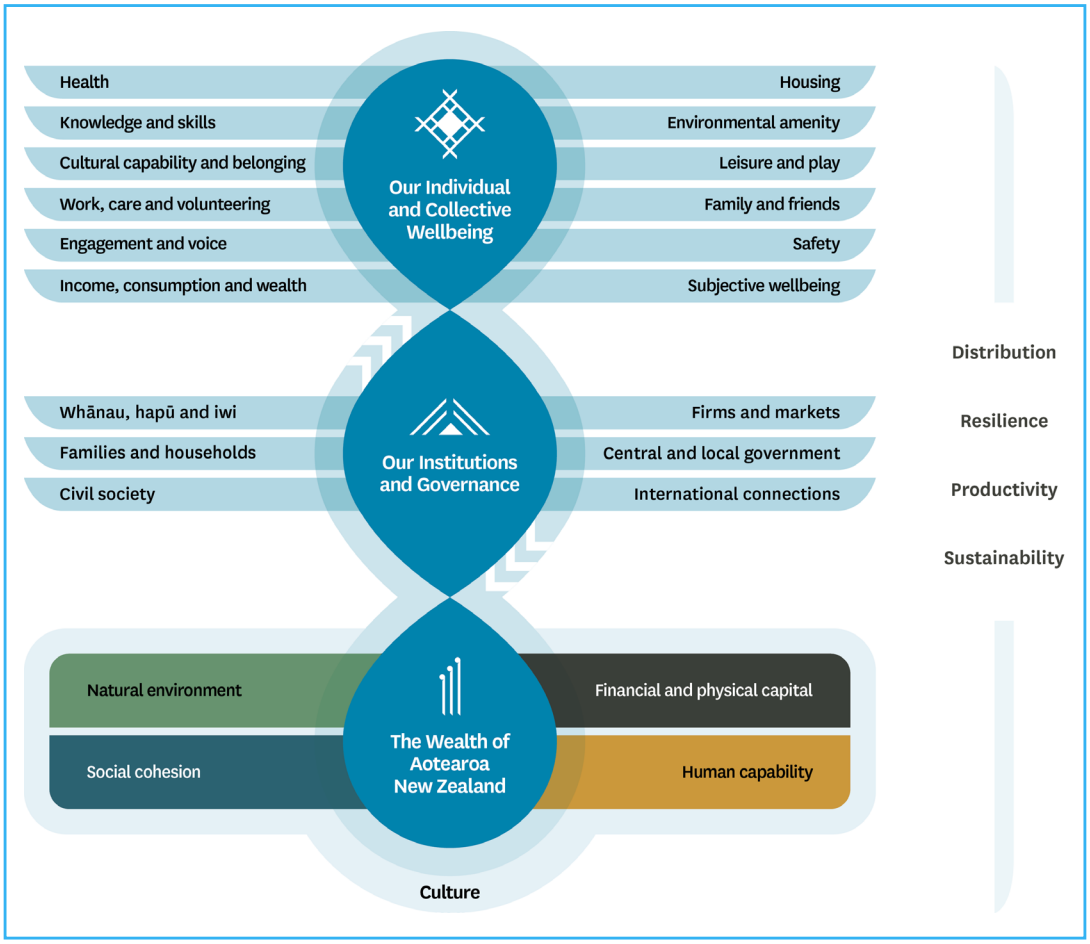
Plan B found little favour in New Zealand, with public opinion polls at the time consistently reporting more than 80 per cent support for the Government's actions, including the lockdown (Jamieson, 2020, p. 602). Thus, the focus on wellbeing rather than economic growth per se was not only taken by policy decision-makers, it was also supported by the general population, described by the Prime Minister as "the team of 5 million" (Cameron, 2020, p. 33).

Facing Covid successfully

Consistent with its focus on improving wellbeing, the New Zealand Government's 2019 Budget was termed the Wellbeing Budget and was centred around New Zealand's Living Standards Framework, which takes into account holistic wellbeing. The 2019 Wellbeing Budget defined wellbeing as "when people are able to lead fulfilling lives with purpose, balance and meaning to them", and highlighted the need to tackle long-term challenges and improve the environment while strengthening the local communities and the country's economic performance (Robertson, 2019, p. 5).

3. The child poverty rate can be reported in different ways, but a common measure is the proportion of children in households whose income after housing costs (adjusted for household composition) is less than 50 per cent of the median in the year of the survey

Figure 2. The Treasury's Living Standards Framework



The Wellbeing Budget was delivered to Parliament in May 2019 and on 14 March 2020 Prime Minister Jacinda Ardern made her famous commitment to the country, "We must go hard, and go early, and do everything we can to protect New Zealanders' health", reinforcing the Government's wellbeing focus (Ardern, 2020, par. 11).

Research on the subjective wellbeing of New Zealanders at the time of the first lockdown found an initial fall in national wellbeing, which then recovered relatively quickly (Morrison et al., 2021).[4] The finding was also supported by a study of General Social Survey (GSS) and Household Labour Force Survey (HLFS), which compared answers in the 2018 GSS survey (prior to Covid-19) and in the June 2020 quarterly HLFS survey (most of which was during the first lockdown). The comparison showed that the population's subjective wellbeing was unambiguously *higher* during the lockdown. And this was true for almost all subgroups in the study, with none showing a fall in mean life satisfaction.

4. The research used an index constructed from tweets originating within New Zealand. The index captured the daily evaluative mood (emotions of 'joy', 'anticipation' and 'trust') of the country several weeks before the first domestic case of Covid-19 was recorded until several weeks of no new Covid-19 cases (Morrison et al., 2021, p.1)

In terms of the number of excess deaths, it was estimated that approximately one million excess deaths occurred in 2020 in 29 high-income countries. New Zealand was one of three countries (the other two were Norway and Denmark) in which the excess mortality that year was negative (Islam et al., 2021). Indeed, "New Zealand managed to keep deaths below the expected level in all the age groups in both men and women, with a corresponding narrowing of the gender inequality" (idem, p. 10). Thus, the government's priority commitment to "keeping the public safe" (Jamieson, 2020, p. 603) was achieved. It was also able to maintain its commitment to intergenerational wellbeing; the OECD (2021, Figure 3.16) records that the share of instruction days when schools were fully or partially closed (March 2020 – June 2021) was the third lowest out of 38 countries monitored in their study.

There is no doubt that the lockdowns incurred an economic cost, accompanied by sharp rises in the government's public debt and in the price of housing. Countries which were able to aim for elimination, compared to countries that opted for mitigation, generally fared better across the three domains of public health, economic growth and restrictions on movement and gathering (Oliu-Barton et al., 2021). New Zealand was an exemplar of the first approach, introduced as part of the Government's commitment to wellbeing economics. Its policies were effective until the appearance of the Delta variant in August 2021 finally led to a withdrawal from the elimination strategy in favour of achieving high vaccination rates as the first line of defence.

5. Finland

A Brief History of Public Health Policy in Finland

Finland has a long history of public health policy and promotion. The seeds of a more humane public health ethos were sown between the two World Wars as many civil society organisations and some state actors started to foster a broader view of the population's health and wellbeing (Harjula 2006, 103-104).

Public health policy became one of the foundations of the Finnish welfare state project and the population policy model after the war. In the 1940s and 1950s, for example, policies that aimed to protect early childhood and motherhood were successfully developed, as the infant mortality rate decreased considerably in the following decades (see Wrede 2001). In the 1960s, the same positive development did not occur in the older age groups and the domain of public health policy was broadened to comprise the whole population. The national health services system was established, civil society actors started to pay attention to special health issues and diseases, and a national health insurance was established in 1964. Health services, vaccinations and special treatment were now available to all. In 1972, the nationwide health centre system was established to provide even better basic health services to the population.

In the 1970s and 1980s, the focus of public health policy changed again to tackle diseases and health issues related to the rising living standards and the unhealthy habits of the Finns. Health promotion with different projects and interventions became the new cornerstone of the Finnish public health policy (Harjula 2006, 106-107). Overall, the public health policy has been very visible for the population in all socioeconomic groups and the universal health services, along with other related social and education services, have been available to all for many decades. There have been debates on the personal responsibility for one's own health, but, generally, collective responsibility is accepted (to some extent) in Finland as the working principle of health policy. Although there have been cutbacks, especially in basic health care services, since the 1990s and onward, Finnish people have trust in their health services and think that the system works well. Health sector professionals are also trusted and the general attitude towards public health policy in Finland is positive.

Finland reacts fast to Covid-19 pandemic

When the Covid-19 pandemic reached Finland in March 2020, the country's ability to adapt its state-led health policy, health services and political system were tested. Finland managed to implement an immediate response in order to secure the capacity of the Finnish health care system, hospitals and intensive care units. A national state of emergency was declared, the related laws were ratified in Parliament in mid-March, and different restrictive measures–i.e. remote work and school, prohibition of gatherings and the lockdown of Nyland, the region around capital Helsinki–were put in place.

The enforced measures were widely accepted and the Government's rate of support was particularly high, despite some critical voices. The main arguments opposing the imposed restrictions and official recommendations were

in relation to remote schools and the guideline for people over 70 to avoid all possible human contact, as it was argued that these restrictions might harm people's wellbeing more than the virus itself.

The public discussions became more vivid after the first wave of Covid-19, with some demanding further restrictive measures and some calling for the restrictions to ease. For instance, wearing face masks in public places was one of the most heated debates; a recommendation which was introduced in the fall of 2020 mostly due to public pressure.

Similar arguments took place in economic debates and discussions around the country's economic policies, especially in terms of the operation of service industries such as restaurants, cultural events, theatres and cinemas. To support Finland's economic activities, the Government provided financial relief of 3,3 billion euros (1,4 % of GDP) in subsidies (expenditures and loans) to firms during 2020.

The huge stimulus package and protection of firms and their employment from spring 2020 onwards was a significant investment of the Finnish Government. When the number of fully vaccinated people steadily increased, a rapid economic recovery was set in motion: in August 2021, the country's employment rate was higher than the pre-Covid levels.

Finland managed to successfully deal with the Covid-19 pandemic due to various factors such as its fast reaction in the spring of 2020, the travelling and economic restrictions, social distancing, the low population density, and the high amount of people living alone. During fall 2020 and spring 2021 the amount of tested Covid-19 cases and related deaths increased but not that much compared to Sweden, Denmark, Iceland and the Baltic countries. Finland and Norway were two of the most successful countries in the world from this perspective, with Finland having an increased life expectancy between 2019 and 2020, while life expectancy fell in Sweden by more than the OECD average (OECD, 202, Figure 3.4).

The Finnish Covid-19 strategy and its implementation, the behaviour of the population and the national context led to a surprising result–Finland was able to move on with lesser restrictions than, for example, Sweden, although Sweden was known for a much more liberal strategy towards the pandemic (Figure 3).

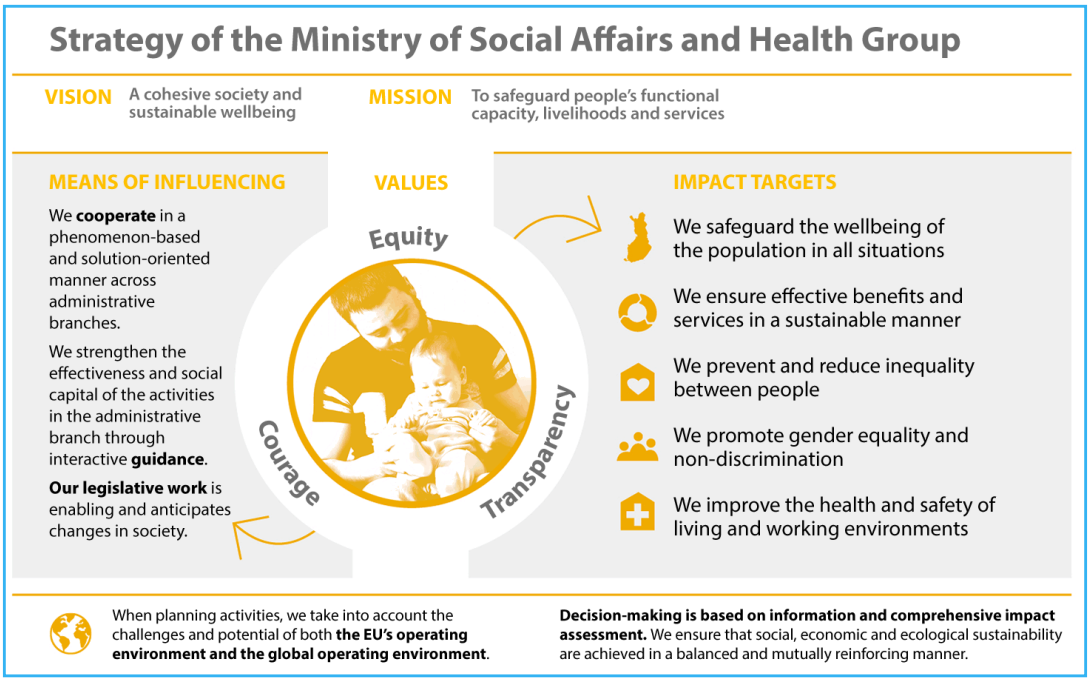
Figure 3. Covid-19 Restriction Stringency Index for Sweden and Finland (Our World in Data)

Source: Our World in Data from Oxford Stringency Index.

The latest test for the Finnish Covid-19 strategy and its health care system was the landing of the Omicron variant in December 2021, along with the ongoing Delta variant cases. One reason for this was the slower than expected rise of fully vaccinated people after summer 2021, although many measures, including the vaccination passport, had been tried to accelerate the tempo of vaccinations. As in many other western countries, the voices against vaccination had become louder during the autumn, and only 80 per cent of the over 12-year-old Finnish population had been fully vaccinated by the beginning of December.

With pressure on the health care system being already high after the Delta wave in autumn, the health administration recommended a new round of restrictions before Christmas (albeit less stringent than previous ones), which were quickly implemented by the government. Again, the response from the Finns was most understanding and it was fairly easy for the government to justify its actions.

Figure 4. Strategy of the Ministry of Social Affairs and Health Group



Finland's successful Covid-response – 'health and wellbeing state' to the rescue

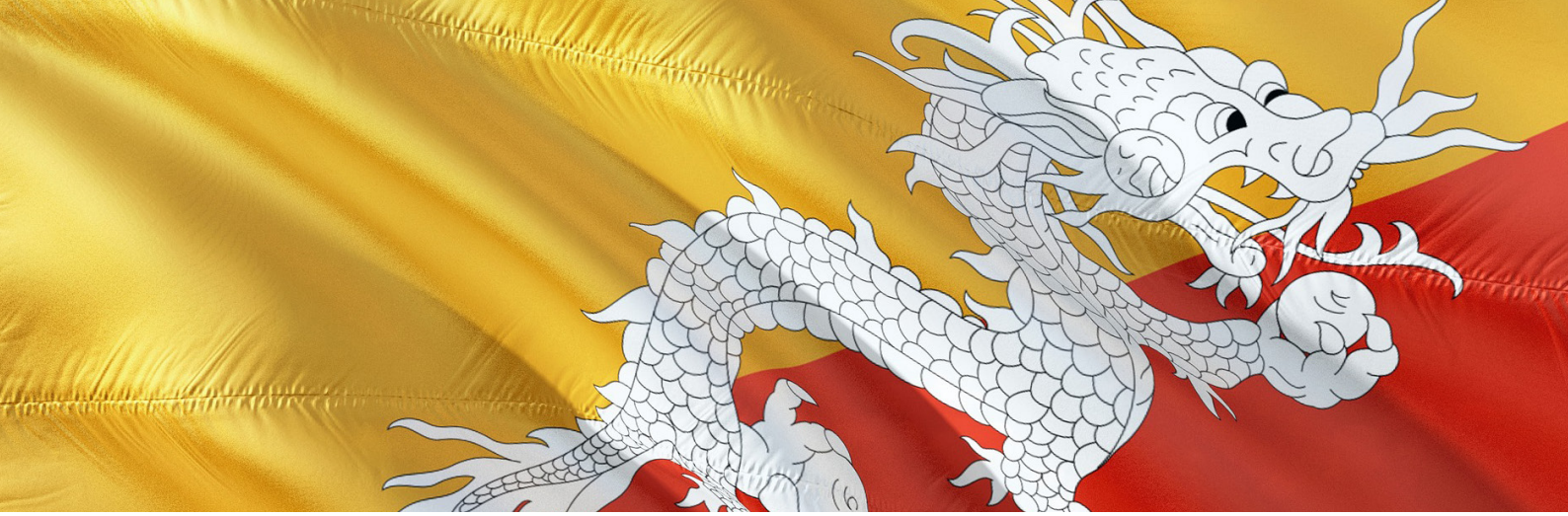
Finland has managed successfully so far to curb the negative societal and economic effects of the Covid-19 pandemic. The long tradition of public health policy and promotion, the trust in health policies and services and the resilience and general trust within the society played an important role in the Finnish success story. Although there has been constant political discussion around the Covid-19 strategy and the imposed measures, the behaviour of the population has been cautious and the recommendations of the health administration have been followed with sufficient responsibility. Also, the negative aspects of the restrictions have been recognised and there is quite a broad consensus that, in the coming years, there is a need for social investments in many areas to stop the vicious circles that might have started during the Covid-19 pandemic.

The current coalition government of Finland (leaning to centre-left) has been active in the field of health policies. Besides the Covid-19 measures, it has strengthened the public health policy processes by activating a multisectoral Advisory Board for Public Health and carrying through a Social and Health Services reform. Finland has also joined the international network of Wellbeing Economy Governments (WEGo) and many Wellbeing Economy related initiatives have been promoted during the term of the Government. Hence, the determined actions in the Covid-19 health crisis are not out of context, in any way, as the current Government has leaned against the long tradition of Finnish public health policies, even more forcefully so than its closest predecessors. Also, although the

number of Finns that approve the Government's Covid-19 measures has been constantly falling, the great majority of people still stand behind them.

Statistics Finland and the Prime Minister's Office have been measuring the views of the people constantly throughout the pandemic. In December 2021 over 84 per cent of the respondents said that they have high trust in the Finnish healthcare system and health administration (Prime Minister's Office 2021), while 65 per cent of the respondents said that they have high trust in the Finnish Government. There has not been much change in these figures in 2021. These results show that there is no considerable mistrust of public health actors in Finland, despite the fact that the Covid-19 pandemic has put great pressure on them for two years now.

Accordingly, Finland might be an example of a nation where the public health policy is serving the health and wellbeing of people in normal times as well as in times of crisis. Leaning to the public health policy tradition during the Covid-19 epidemic was quite frictionless and, thus, a health-oriented approach paved the way for a successful economic policy response. At the beginning of the crisis, there was a great political consensus that Finland should prioritise health and, although the political consensus might have scattered afterwards, the great majority of Finns still agree with the measures and strategies taken. The Finnish welfare state seems to be above all *a health and wellbeing state*.



6. Bhutan

Ancient roots for a wellbeing reflex

Historically, the country of Bhutan has been prioritising societal wellbeing long before the arrival of the Covid pandemic. Prior to the 1960s, the country had few widely-accessible public services such as schools or hospitals. Following that time, Bhutan entered a period of rapid and significant transition, emerging from its self-imposed isolation to open up its borders with neighbouring countries India and China, and eventually, to active engagement with a modern, globalised world. The introduction of its development philosophy of Gross National Happiness (GNH) in the 1970s, together with its transition to a democratic, constitutional monarchy in 2008, have allowed the country to chart a distinctive development path (Figure 5).

FIGURE 5. GNH - BUILDING A RESILIENT FOUNDATION FOR HEALTH AND WELLBEING

Bhutan adopted Gross National Happiness (GNH) as its development philosophy in the 1970s under the leadership of the Fourth King, Jigme Singye Wangchuck. The values underlying GNH have been shaped by Bhutan's rich cultural heritage, and influenced by Mahayana Buddhist values. The emphasis on happiness is evident as far back as the country's legal codes of 1729, which state that "If the government cannot create happiness (dekid) for its people, there is no purpose for the government to exist" (Ura et al, 2012).

Since that time, GNH has articulated an approach to development in which happiness - rather than economic growth - is viewed as the purpose of the economy. To this end, the country aims to measure national progress in a more holistic way than GDP – as the sum total not only of economic output, but also of environmental impacts, the spiritual and cultural growth of citizens, their mental and physical health, and the strength of governance and political systems. Using the GNH Index, and conducting periodic national surveys, Bhutan assesses data across nine "domains", which collectively are considered to create the enabling conditions for happiness and wellbeing. Five of these domains are common to many national surveys, including; health, education, environment, living standards, and good governance - while four are more unique to Bhutan, including psychological well-being, community vitality, time use, and culture. To further align government decision-making with GNH values, the nine domains are also used to guide resource allocation and policy priorities (Ura et al, 2012). Uniquely, GNH places an equal emphasis on cultivating both the outer, enabling conditions (described above) and the less tangible, inner conditions (vision, values and mindsets) to support a society oriented towards wellbeing (Kim et al, in press).

Guided by this Wellbeing Economy approach, Bhutan has witnessed significant improvements in key social indicators, including a reduction in poverty and infant mortality rates, rising life expectancy and substantial increases in primary school enrollment (World Bank, 2014). Between 2005 and 2018, Bhutan's Human Development Index increased by 20.5%, positioning the country in the Middle Human Development Category (UNDP Bhutan, 2019). Moreover, by prioritising happiness and wellbeing through this holistic approach to development, Bhutan has laid a foundation for resilience that has played an important role in allowing the country to effectively respond to the COVID-19 crisis.

The Covid pandemic: Facing a new challenge

Health, as one of the nine GNH domains, has been a priority in Bhutan, and all citizens receive free basic health care services and access to both modern and traditional medicines. The Government is committed to providing universal health coverage to Bhutanese citizens and ensuring protection against catastrophic expenditure and impoverishment. Building on this foundation, when the first Covid-19 cases occurred, Bhutan responded immediately by taking urgent measures and designing a pandemic blueprint focused on prevention, that prioritised the health and wellbeing of its people. Due to this approach, Bhutan has in many ways been able to navigate the Covid crisis more successfully than many larger and wealthier countries (Dema and Ives, 2021).

At the same time, the Bhutanese Government has faced numerous challenges due to limited early knowledge regarding the transmission of the virus, the lack of medical equipment and professionals, and the fact that the health care system was underprepared for such a large-scale event. To address these issues, the Government prioritised the population's health and implemented a coherent communication strategy, resulting in the country coming together to combat Covid-19. In early December 2019, extensive public health awareness campaigns and contact tracing systems were rolled out, and overnight flu clinics were set up with special emphasis on the border towns. In addition, plans for lockdowns, quarantine centres, and isolation units were made available to treat Covid-19 positive cases. The focus of these plans was to ensure that medical supplies, lockdown protocols, physical distancing measures and a national level advocacy strategy were in place to efficiently respond to the Covid emergency. In these crucial early days, Bhutan was able to revert to a position of self-isolation relatively quickly, which would prove to be important in the fight against the pandemic.

In addition to the Government's efforts to mitigate the pandemic's effects on physical health, special attention was also given to the population's mental health. With anxiety and depression being common issues the National Mental Health Response Team was confronting in the capital city Thimphu, helplines were set up for counselling. When the Government announced a nationwide lockdown in August 2019, there was a dramatic increase in callers seeking help related to their mental health. This service was vital especially for those in quarantine facilities, as it helped them complete the mandatory 21-day self-isolation requirement, as well as for the youth who were experiencing displacement and distress regarding their education, jobs, and future prospects (Passang, 2020). In addition, shelters for victims of domestic violence were set up to provide support and care.

In terms of Bhutan's economic response, the Government took immediate action in order to protect the health of the population by implementing measures such as shutting down the tourism industry and sealing its borders, due to concerns about the high number of positive cases in neighbouring countries, such as India. These efforts to prevent community transmission resulted in a massive blow to the economy of this small nation dependent on tourism as a vital source of revenue. It also impacted trade-generated revenue channels including construction, imports and exports, human resources, and manufacturing. Restrictions were also imposed on imports from India, which created supply shortages and hardships to the country's economy. To address these issues, the Gross National Happiness Commission (GNHC) of Bhutan worked alongside UNDP Bhutan to launch a range of programs to help those most impacted (Dormer, 2021).

Bhutan's Covid response: Bringing together modern science, cultural resilience, good governance, and community vitality

In the context of such challenges, Bhutan's resilience in the face of the Covid pandemic has been shaped by its GNH values, strong leadership, small size and tight-knit communities – all of which were able to come together at a time of crisis. Such resilience cannot be created overnight, but can be cultivated over time, when wellbeing is viewed as a foundational principle within economy and society. As Bhutan's experience illustrates, such resilience is not necessarily reflected by the size of a country's GDP, but can be enhanced by dimensions reflected in Bhutan's GNH index – including cultural resilience, good governance, and community vitality (Kim JC, 2022).

For example, a unique part of Bhutan's response to the pandemic was shaped by its Buddhist culture, which brought together traditional spiritual practices with modern science, to support a successful vaccination drive (Ongmo and Parikh, 2020). Bhutan made international headlines when it was announced that the initiation date of its vaccine campaign was determined in consultation with spiritual leaders and in concert with traditional practices, including astrology. In March 2021, Bhutan surged past Israel, the United States and Bahrain to meet the world's highest proportion of adults who had received the first vaccine dose (Armitage, 2021). By July 2021, and with the support of foreign donations, more than 454,000 vaccination doses were administered – reaching more than 85% of the eligible adult population, many of whom reside in remote, mountainous locations. With the second dose, Bhutan subsequently vaccinated 95% of eligible adults within 2 weeks, reaching similarly impressive levels (Drexler, 2021).

At the same time, working together with partners including the World Health Organisation (WHO) and other United Nations agencies, the Government of Bhutan adopted a coherent and accessible Covid educational and communication strategy. This was seen as a critical priority to provide clear, science-based information to the general public, as it became apparent that widespread dissemination of misinformation and confusion were hindering control efforts in many countries.

In many contexts, strong leadership and social solidarity – the sense of pulling together at a time of crisis – have proven to be vital in meeting the challenges of the Covid pandemic. In Bhutan, ordinary citizens, national volunteers (Desuups), civil society organisations and businesses supported the Government and the King in their efforts to curb the effects of Covid-19. Despite hardships, many made an effort to come together, thinking beyond themselves and their own immediate needs, to help the wider community (Ongmo and Parikh, 2020). Bhutanese farmers donated excess vegetables and food to frontline workers and those in quarantine facilities at a time when Bhutan faced food shortages due to its reliance on Indian imports. Private businesses and individuals donated to the National Covid-19 Relief Fund and hoteliers offered their facilities as quarantine centres to ease the burden on the government budget. And in face of limited access to PPE, many civil society organisations came together to sew and distribute face masks alongside government counterparts and NGOs (Dormer, 2021).

Taken together, the Covid pandemic has delivered an unprecedented crisis that has both challenged and united the Bhutanese people. Bhutan's emerging response has been shaped by its earlier foundations of GNH – and in this respect, its leaders clearly recognise both the opportunities and the challenges inherent in creating a Wellbeing Economy. In the words of the former Prime Minister, "Bhutan is not a country that has attained GNH… Like most developing nations, we are struggling with the challenge of fulfilling the basic needs of our people. What separates us, however, from most others is that we have made happiness, the most fundamental of human needs, as the goal of societal change" (Royal Government of Bhutan, 2012). In this sense, GNH can be seen as a *journey* rather than a final destination – one whose lessons may prove vital in facing the emerging crises of our time (Kim and MacKenzie, in press).

7. After Covid: Facing ecological shocks with a wellbeing reflex

With Covid, we have entered the century of ecological shocks. In this new century, wellbeing can serve both as a compass and a shield: pointing to meaningful collective horizons while building substantial collective resistance. In this respect, "wellbeing indicators" are not amusing gadgets that can't change anything significant to core economic policies – if they are embedded in policies and institutions, they can help foster a wellbeing culture that can make a huge difference in terms of human wellbeing in time of crisis, as they did in many countries around the world in 2020-2021.

In this perspective, the age of "indicators" is behind us: we now need to work on wellbeing policies, i.e. operationalising new visions of the economy and mainstreaming these visions into policies. More precisely, we need both new narratives and visions, on the one hand, and new institutions and policies, on the other. It can be said indeed that transitions are about turning aspirations into institutions.

The contribution this paper has attempted to make comes down to debunking the old neo-liberal motto of the 1990s: "there is no alternative (TINA)". Actually, *there is no trade-off (TINTO)*: there is no trade-off between health and the economy, because there is no trade-off between the economy and social ties, nor any trade-off between health and social ties (Laurent et al., 2022). This has been shown in our case studies where health and wellbeing-oriented policies brought quick and successful results, which also favoured economic resilience. There is no more trade-off between ecology and economy: the Wellbeing Economy of the 21st century is an economy of co-benefits along a social-ecological chain that links biodiversity to ecosystems, ecosystems to human health, human health to social connection, social connection to social cooperation and, eventually, social cooperation to economic activity.

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