

## **Changing the Health Paradigm and Growing the Economy**

*By Jeremy Rifkin*

A nagging question is beginning to haunt America and Europe. Everyone wants to know what's slowing the productivity and competitiveness in many of the world's richest economies? While some analysts continue to blame inflexible labor policies, pampered workers, educational deficits, and exploitative management for the productivity malaise, another troubling reality is beginning to surface. Affluent workers- especially in the US and Europe- suffer from a range of diseases, and their ill health is raising health care costs both for taxpayers, employers and employees and adversely affecting productivity. The result is that businesses are not as competitive as they could be, threatening the prospects for economic growth.

The fact is, workers in many of the wealthiest countries in the world are getting fatter, exercising less, still smoking and drinking too much, and becoming more stressed, all of which makes them more prone to the so called "diseases of affluence"... these diseases include Type 2 Diabetes, cardiovascular disease, lung-related illnesses like asthma, cancer, strokes, depression, and attention deficit hyperactivity disorder (ADHD).

How sick are affluent workers? To begin with, obesity is skyrocketing across America and Europe. In the US, one of out every three workers is obese, while in Europe, one out of every four children are now overweight. By contrast, the obesity rate in Japan and Korea is only 3.2%. Many other Asian countries have similarly low rates of obesity. Obesity is now a major contributing factor to the onset of Type 2 Diabetes, and a primary contributor to an increase in heart attacks, cancer and strokes. Amazingly, one

third of all the costs in the German health care system are now attributable to diseases correlated to poor nutrition.

Smoking is also a factor in the poor health of workers. Smoking accounts for over one million cancer and heart related deaths a year across Europe.

Affluent workers are also exercising less. High tech lifestyles, sedentary work environments, and more passive entertainments, are making workers more vulnerable to chronic and life threatening diseases. Incredibly, 60% of Europeans and an equal percentage of Americans have no vigorous physical activity in a typical week. Stress is also on the rise, as the demands of a 24/7, nanosecond culture, create time pressures on workers, with an enormous accompanying increase in attention deficit hyperactivity disorder and depression. The EU estimates that stress-related illnesses cost 20 billion Euros as year. Not surprisingly, Attention Deficit Hyperactivity Disorder (ADHD) is becoming a pandemic. In the US 7.8% of children between the ages of four and seventeen have had ADHD. Currently, one out of every twenty German children is afflicted with the disorder. It's no wonder that healthcare expenditures in the European Union amounted to nearly 8% of GDP in 2003.

Poor worker health also means lost productivity because of growing absenteeism and what human resource professionals call "presenteeism": that is, deteriorating performance on the job in the form of less stamina, poor concentration, and an increase in errors and accidents. Consider, for example, just the growing rate of depression across the EU. By the year 2020, it is estimated that the economic costs in productivity losses resulting from an increase in mental ill health will be a staggering 4% of the European GDP.

Is there an answer to the deteriorating health of affluent workers and the attendant increase in labor costs and lost productivity, which threatens to make the advanced economies uncompetitive? Yes! And the solution is remarkably simple in concept, but would require a paradigm shift in the way society addresses the question of the health and well being of its citizenry.

A spate of studies over the past 30 years, has provided conclusive evidence that 60-70% of all major diseases are associated with modifiable environmental risks. Poor nutrition, obesity, lack of exercise, stress, smoking, and over-consumption of alcohol all contribute to ill health. Yet, the United States and virtually all of the other OECD nations spend a tiny fraction of government funds on prevention, including inoculations, annual diagnostic tests and appropriate medications. Even less is spent on health promotion—that is, facilitating positive changes in lifestyle, including exercise programs, dietary changes, stress reduction programs and the cessation of smoking. The US devotes less than 5% of the federal health care budget on conventional prevention practices, and less than 1% of each research dollar is spent on behavior-oriented health promotion. European countries are even less proactive.

A number of major global companies, worried over increasing health care costs and loss of productivity have teamed up with health professionals in a pioneering effort to shift the health paradigm from treating disease to promoting wellness, with incredible results. Companies like Dow Chemical, Kimberly-Clark, Johnson & Johnson, Pitney-Bowes, Prudential Financial, Procter & Gamble, and Volvo/Mack Truck are experimenting with various prevention and health promotion programs and their experience is eye-opening.

To ameliorate the health and quality of life of their workers, companies are installing gym facilities on site or paying for off site health club memberships and professional trainers, providing only healthy meals in company cafeterias and free nutritional instruction for workers and their families, as well as offering stress management counseling and other health promotion services.

Why would companies spend additional funds on promoting wellness? Because the return on investment (ROI) is nothing short of remarkable. For every dollar invested in comprehensive prevention and health promotion programs, these companies are saving \$3-8 in the form of reduced health costs and gains in productivity from lower absenteeism and presenteeism. The key to the success of all of these programs is their voluntary nature and the incentives built-in to the process to motivate employees to become involved in changing lifestyle and becoming healthier.

The health enhancement programs also have a multiplier effect. An increasing number of company programs are reaching out to the families of workers, engaging them in the wellness process. Changing one's lifestyle doesn't stop at the factory gate or the office door. Healthy workers are more likely to encourage healthy lifestyles at home. Healthier diets, reduction of stress, and more frequent exercise become a family affair. When family members are drawn into the process, the health paradigm is fundamentally altered, with far reaching implications for the next generation.

It should be made clear that a prevention and health promotion initiative is not to be regarded as a replacement for existing government health care coverage, but, rather, a complement--a way of assisting workers to become healthier and lead more productive and happier lives.

How then to begin? First, government and industry, working together, should help identify best practices and set universal standards for prevention and health promotion. Second, tax credits and incentives should be put in place to encourage the development of the wellness sector in the health care field. What is required is well trained, qualified companies certified to provide a range of prevention and health promotion services and programs to companies. The creation of a labor intensive wellness industry will create many new jobs and vocations --jobs that by their very nature are anchored within the country. Third, for every dollar companies commit to creating an in-house wellness staff or for hiring an outside wellness firm, the government should provide a corresponding dollar of tax relief on corporate profits, up to an agreed upon cap. Fourth, a formula should be established by government, industry, and the trade unions, that would provide tax relief to employers and employees, commensurate with the increase in wellness and the money the government saved in reduced medical cost for employees involved in the wellness program.

In the face of increasing global competition, the more mature economies need to find new strategies for increasing productivity and ensuring economic growth. A healthy work force that is physically and mentally fit is among the most important considerations in growing a sustainable economy.

Jeremy Rifkin is the author of *The European Dream: How Europe's Vision of the Future is Quietly Eclipsing the American Dream* (Tarcher/Penguin: August 2004).