



Article 2

Addressing equity in intergenerational wellbeing

Valuing community perspectives

The promotion of wellbeing has long been the ultimate goal of public policy in some form or another. Individuals want to lead more fulfilled lives and governments want to make the right decisions to allow people to flourish.

Notions of what constitutes a 'good life' have often been bound up with the production and consumption of goods and services. However, in recent times, the preoccupation of public policy with income-based strategies has become more balanced, reflecting an extensive body of research highlighting the inadequacies of gross domestic product (GDP) as a measure of progress.¹

Naturally, people care about much more than their income and the consumption of goods and services; they care about other dimensions such as their health, education, feelings, rights, safety and relationships with other people. ➔

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Table 1: **Examples of evidence behind the Wellbeing Budget priorities**

Taking Mental Health Seriously	Improving Child Wellbeing	Supporting Māori and Pasifika Aspirations	Building a Productive Nation	Transforming the Economy
<p>Mental health In any year, one in five New Zealanders will have a diagnosable mental illness, with three-quarters of lifetime cases starting by the age of 25</p>	<p>Material hardship Around 150,000 children in New Zealand live in households experiencing material hardship</p>	<p>Living standards Māori and Pacific people rank low in most measures of wellbeing relative to the rest of the population</p>	<p>R&D expenditure New Zealand has low research and development (R&D) expenditure relative to OECD countries</p>	<p>Greenhouse gas emissions New Zealand has one of the highest per capita rates of greenhouse gas emissions in the OECD</p>
<p>Suicide rates New Zealand's suicide rate for young people is amongst the worst in the OECD</p>	<p>Health outcomes 41,000 children are hospitalised each year for conditions associated with deprivation</p>	<p>Income level disparities Māori and Pacific people have lower income levels, on average, than other groups</p>	<p>Future of work and automation 21 percent of current workforce tasks may be automated by 2030</p>	<p>Quality of waterways Waterways in our farming areas have markedly higher pollution than in catchments dominated by native vegetation</p>
<p>Homelessness One in 100 New Zealanders are homeless, based on the 2013 Census</p>	<p>Family violence New Zealand has high rates of family violence</p>	<p>Educational attainment Māori and Pacific people are less likely to attain higher educational qualifications than other groups</p>	<p>Productivity New Zealand's productivity is low relative to other OECD countries</p>	<p>Soil erosion Annual soil erosion of 720 tonnes per square kilometre is reducing our land's productivity and harming aquatic ecosystems</p>
<p>Young people in employment 12 percent of young people aged 15-24 years are not in education, employment or training</p>	<p>Crowded housing Over 40 percent of Pacific children and roughly 25 percent of Māori children live in crowded homes</p>	<p>Disparities in health status Māori and Pacific people are less likely to report good, very good or excellent health than other groups</p>	<p>Incomes New Zealand's incomes are in the bottom half of the OECD as measured by per capita Gross Domestic Product (GDP)</p>	<p>Waste New Zealand's level of waste per capita has increased substantially since 2013</p>

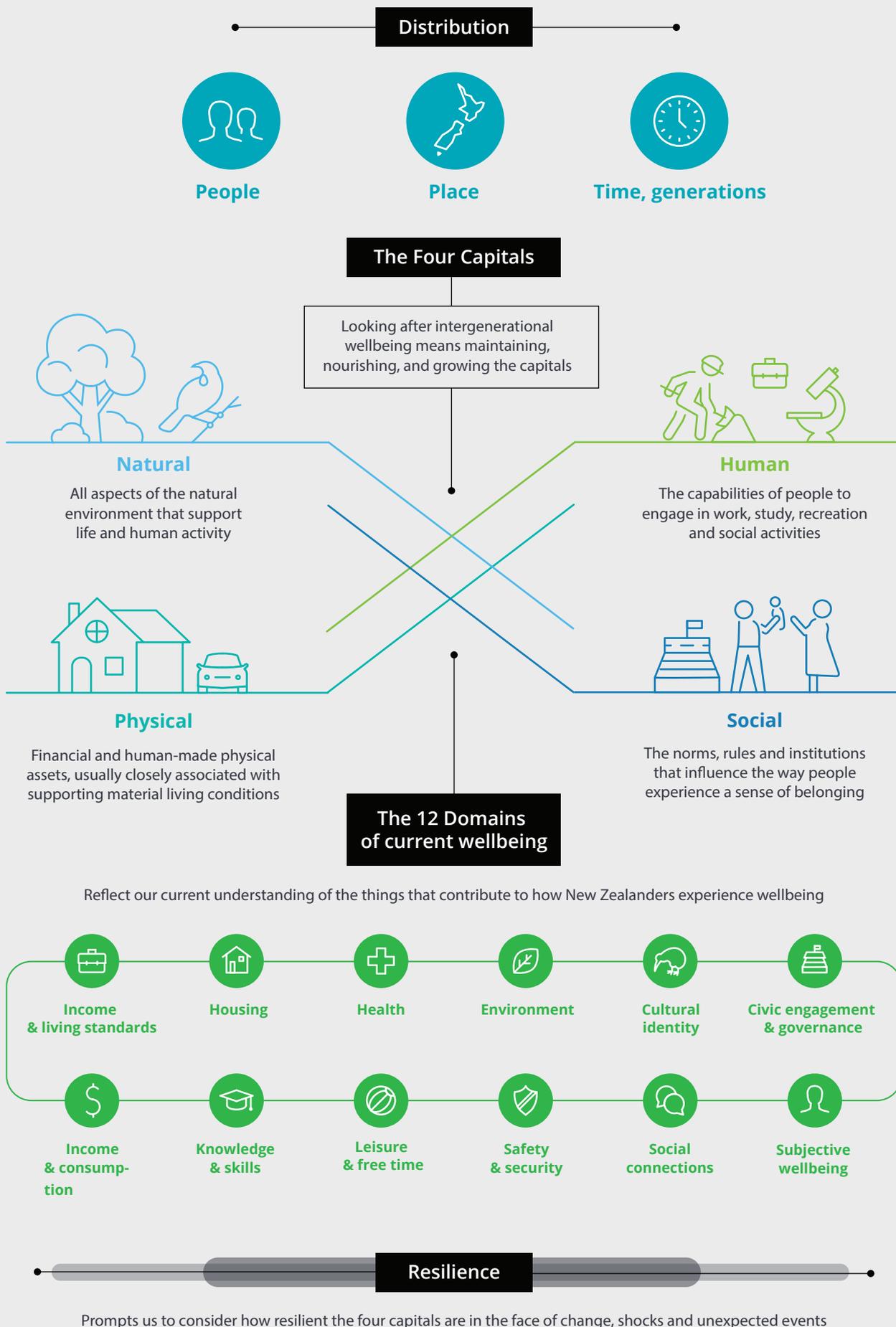
With broader ideas of wellbeing taking root, the New Zealand government is now focused on delivering sustainable wellbeing across multiple dimensions. New Zealand's Wellbeing Budget 2019 has given priority to improving mental health and child wellbeing, and lifting Māori and Pasifika aspirations, along with building a productive nation, transforming the economy, and investing in New Zealand.

There is a growing appreciation of the significant disparities in the distribution of wellbeing among the New Zealand population (Table 1).² Our "rock star" economy has not delivered higher living standards or better opportunities for all New Zealanders; many are being left behind.

This leaves us with a critical question: what can be done to improve people's wellbeing, and how can we most effectively invest for the wellbeing outcomes we seek to achieve? This requires evaluation evidence about the effectiveness of policies and programmes, not just in terms of their direct outcomes, but also of their broader wellbeing outcomes.

Figure 1

The Treasury's Living Standards Framework



Why wellbeing

Wellbeing refers to the ability of individuals and communities to live the lives they value (i.e. a good life), while also reflecting the rights of others to do the same. This approach cares about people’s freedoms, and the level of wellbeing that they will reach when choosing from the options open to them. From a policy standpoint, this offers a new perspective because it changes the types of questions we ask about addressing inequity in New Zealand.

An income-focused policy asks: *What resources do people have, and how much do they need to be equal?* By contrast, a wellbeing approach asks: *What kinds of things do people want to do, and what are they really able to achieve?* Furthermore: *Do people have the same opportunities to be able to achieve these things in their life, and if not, what can be done about it?*

These questions guide us towards a broader and more holistic way of thinking about the persistence of inequity, disadvantage, and wellbeing than mainstream approaches that are typically concerned with income and resources.

In essence, wellbeing is directly related to the expansion of life choices, and policy works to ensure people are equally-placed to realise those choices.

In recent years, many studies have explored the common ingredients (or “domains”) of wellbeing. A representation of these that has found particular favour in New Zealand official circles is the New Zealand Treasury’s “Living Standards Framework” (LSF).³

Drawing heavily on the OECD’s Better Life Index, the LSF is a dashboard intended to help analyse and measure intergenerational wellbeing.⁴ In Figure 1, the green icons identify the main domains of current wellbeing of New Zealanders (as well as people in general) over 15 years of age.

The blue icons highlight the significance of distribution, including inter-generational distribution, and place (including culture) for social wellbeing.

Together all these dimensions are supported by four ‘capitals’ represented in the middle. These sets of capital stocks are collectively referred to as “comprehensive wealth”.⁵ The sustainability of wellbeing over generations is dependent on the replenishment of comprehensive wealth at large, while accommodating the potential for substitution between these capital stocks as sources of wellbeing. Overall, the LSF helps to inform our policy choices to support both current and intergenerational wellbeing, guiding our investments to create the most value for New Zealanders.

Wellbeing and the distinctive role of public policy

The distinctive role of governments at the national, regional, and local levels has been to provide the environment where individuals and communities can live their valued lives and flourish. Individuals live their lives in social settings, as members of communities. Under this conceptualisation, the distinctive role of public policy is to provide the playpen (represented in the diagram below) within which individuals and communities pursue their valued lives.

Figure 2: **Sustainable wellbeing – through resilience**
(Enlarging the Wellbeing Frontier)

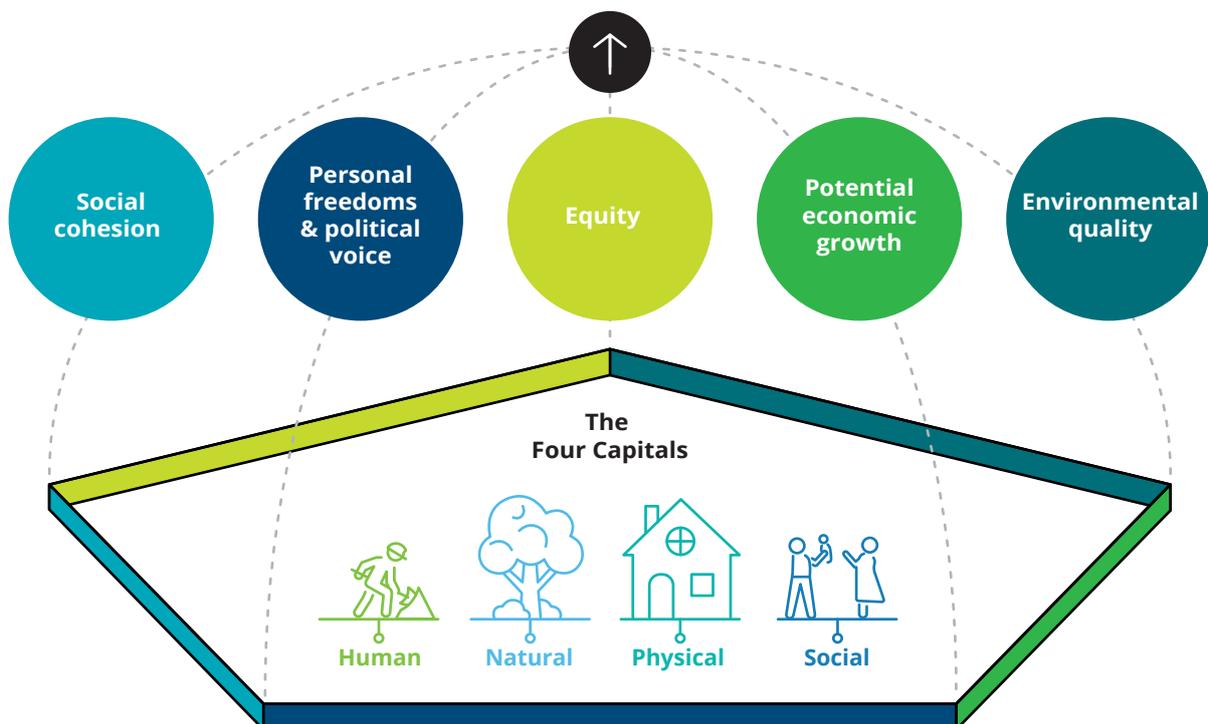
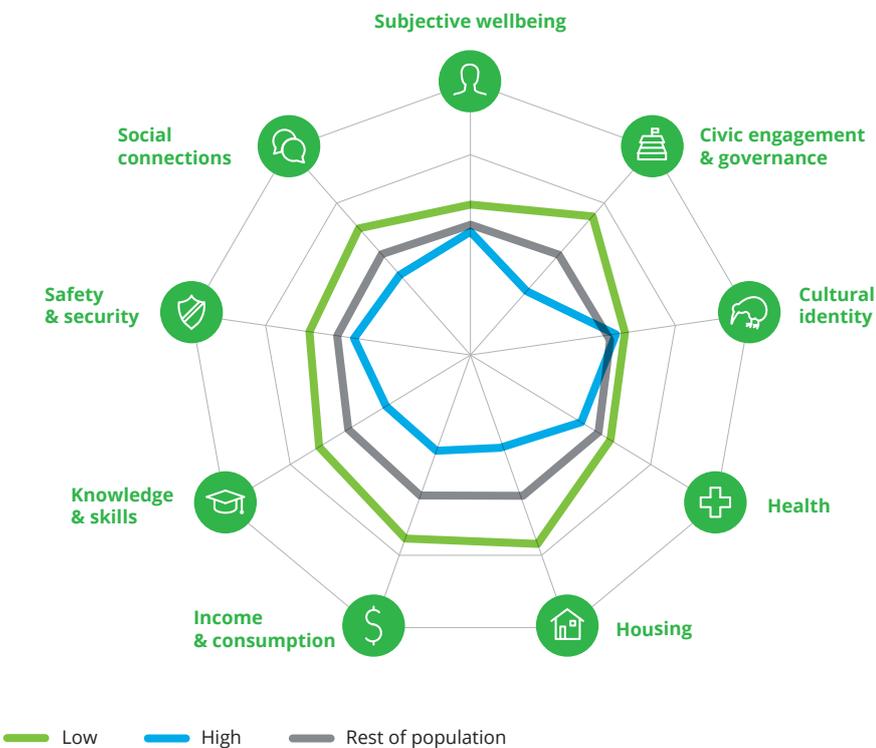


Figure 3: Māori wellbeing analysis compared to the rest of New Zealand



Sources: Treasury analysis, Stats NZ

Note: Figure 3 shows how Māori compare to the rest of the population. If a green point is further from the middle than a corresponding grey point this means wellbeing for Māori is lower than the national average in that domain. Māori rank low relative to the rest of the population in most measures of wellbeing.

The dimensions (or corners) of that playpen are the domains of public policy. Governments invest appropriately in the capital stocks that sit in the middle to expand the playpen (the “wellbeing frontier”) as much as possible.

Expanding this frontier can also be thought of as building resilience towards all sorts of uncertain and unknown developments that people will face in the future. Resilience has two distinct and complementary dimensions. The capacity to absorb shocks (such as earthquakes, floods, financial crises), as well as the capacity to adapt to shocks and exploit opportunities creatively so that we can continue to live the lives we value.

Measuring progress: New Zealand’s wellbeing frontier

As Arthur Grimes neatly summarises in a series of Blogs on wellbeing in his *Wellblog* series, when we turn our focus internationally, our success depends on what measures one uses.^{6,7} A number of international organisations collate measures of wellbeing across countries, yet they differ in what aspects of wellbeing they cover and how much weight is assigned to each aspect of wellbeing.

To escape rankings based on arbitrary weights – while still making international comparisons possible – the OECD developed its Better Life Index (BLI). The BLI provides summary outcome measures (and ranks) for each of the 38 OECD countries across 11 wellbeing domains (New Zealand has extended it to 12 – see Figure 1).

Reflecting the fact that different people place greater emphasis on some domains than others, the BLI enables users to provide their own weights. If each domain is weighted equally, New Zealand ranks 11th within the OECD (Norway 1st; Australia 3rd). In addition, many wellbeing researchers use a life satisfaction measure (one of the BLI domains) as an over-arching measure of wellbeing. On this, New Zealand climbs to 8th within the OECD.

International comparisons are useful for gaining a sense of place within the international wellbeing landscape; however, these comparisons shift the accountability of our wellbeing policies outwards. The ultimate purpose of policy work is to promote wellbeing as it relates to the lives of New Zealanders, as we wish to live our lives here in this country. Therefore it is equally important to shift accountability inwards so that our measures of progress are not lost in a quest to benchmark ourselves against the international community.

Although we may be doing well, on average, compared to most countries in the world, as we already highlighted in Table 1 there are significant disparities across dimensions of wellbeing among various segments of the New Zealand population. By way of just one example, Figure 3 is a summary of the relatively poor wellbeing outcomes for our Māori population.⁸

There are significant disparities across dimensions of wellbeing among various segments of the New Zealand population

Sustainable wellbeing

How about the future – how about the sustainability of wellbeing, on average, for future generations? We suggest that the appropriate prism to evaluate the quality of a public policy that is focused on intergenerational wellbeing, is an assessment of whether or not we are expanding the wellbeing frontier in Figure 2. Are we investing effectively in our comprehensive wealth towards that end, to generate greater freedoms for current and future generations of New Zealanders to pursue the lives they value?

Although we do not have precise data on these dimensions, the OECD's assessment of trends in New Zealand, complemented by two recent studies (among others) provide us with a first glimpse, and unfortunately the outlook is less than promising.^{9,10,11}

In relation to *potential economic growth*, there is currently a lag in labour productivity, which negatively impacts and restrains living standards and wellbeing. Unfortunately, this has no sign of improvement.

There are also concerns with respect to *environmental quality*. Pollution from primary industries and urbanisation jeopardises our water quality, while greenhouse gas emissions remain high and continue to grow. Adding to this, New Zealand has one of the world's largest shares of threatened species.

In relation to equity, our "disposable income inequality is above the OECD average, reflecting less-than average redistribution through taxes and transfers and the child poverty rate, which is around the OECD average, is more than double the rate in the best performing OECD countries. Living standards and economic growth also vary considerably ethnically and geographically".¹²

It is important to remember that wellbeing is a normative judgement: its definition differs depending on who you ask and the context in which it is being used

A recent paper by Smith (2018) has also raised serious concerns about poverty in New Zealand, emphasising the point that, improving economic indicators such as the declining unemployment rate, has not been able to reverse the trend of increasing poverty in New Zealand.

Both poverty and the observation that living standards and economic growth vary considerably, both ethnically and geographically, also puts significant strains on social cohesion.

Both the OECD report, and recent work by Qasim and Oxley (2018) raise serious doubts about sustainability in general, in the long run, across several dimensions.

All in all, this reveals serious concerns about the quality of public policy when judged from the perspective of whether it improves sustainable intergenerational wellbeing. The work of central government agencies to assess, develop, and invest in more appropriate levers to expand the wellbeing frontier have fallen short thus far. Most importantly, this results in many individuals and communities who are left unable to benefit from the wider wellbeing agenda as promised by government. It is clear that there is a critical disconnect between macro-level wellbeing policies and the outcomes they are expected to achieve for individuals and communities.

Bridging the gap: bottom-up perspectives

A central issue for policymakers, then, becomes bridging the gap between what is measured and what is reflective of wellbeing in a local context. How can we be certain that our choices about wellbeing at the national or even regional level are reflective of what individuals need to live the lives they value?

Operationalising wellbeing is a complex endeavour that does not occur in a vacuum, yet solutions to policy problems often bypass understandings of the complex social systems they must work in.¹³

National wellbeing measures are produced by aggregating individual measures into an overall figure for the population, which are combined again into other higher level population aspects. All particularities are stripped away and condensed into single values.

It is important to remember that wellbeing is a normative judgement: its definition differs depending on who you ask and the context in which it is being used. What determines a good life is situational and best articulated by people in their own context. Therefore, we must apply a lens that grants us granularity to understand the diverse backdrop of people's lived experiences.

After all, fairness in the representation of wellbeing means accounting for the relative invisibility of those whose lives do not fit the traditional mould of the 'average man' (in this case an able-bodied, non-dependent, caregiving-free individual who belongs to dominant ethnic, racial and religious groups).

Creating inclusive and more effective policies involves gaining diverse perspectives in the design of wellbeing initiatives. As Sen (1992) argued, "human diversity is no secondary complication (to be ignored, or to be introduced 'later on'); it is a fundamental aspect of our interest in equality."¹⁴

Table 2: **The Domain rankings**

	1	Subjective wellbeing
	2	Health
	3	Social connections
	4	Income & consumption
	5	Leisure Spirituality
	6	Balance & reciprocity
	7	Knowledge & skills Agency
	8	Cultural identity
	9	Civic engagement & governance
	10	Housing
	11	Safety & security
	12	Environment
	13	Jobs

Community conceptions of wellbeing

To illustrate, a recent study pursued by one of the authors explored the contributors to a good life at the community level by having structured conversations with small groups of people. In the community-level conversations, participants expressed a number of wellbeing domains under a diverse set of categories: Health & wellness; Self/Loving Yourself; Empowerment/ Agency; Financial; Spirituality; External structures; Time; Safety; Balance & reciprocity; Healthy body; Family; Social support; Learning & informed; Culture & identity; Structure/Routine; Forgiveness; Resilience; Respect; Home; Motivation; Whānau; Love; Kai; Appreciation; Happiness; and Stability.

For the sake of comparison, it is possible to re-categorise many of the community wellbeing domains to match up with the 12 LSF domains and Table 2 shows these contributors of community-level wellbeing ranked from highest to lowest. The LSF domains are in green, and those in blue are community wellbeing domains that could not be classified under any of the LSF domains.

According to the community in the study, the top contributors to wellbeing were Subjective Wellbeing, Health, Social Connections, Income and Consumption, Spirituality and Leisure. Among these top spots, spiritual wellbeing is noticeably absent from the LSF. Other domains that were not included in the LSF were Agency, and Balance and Reciprocity. This suggests that there are more contributors to wellbeing at the community level, or at the very least, different conceptualisations of the domains and their relevance in daily life. Whether these could be represented in New Zealand’s national framework warrants further investigation.

While the above table is helpful in highlighting aspects of important contributors to a good life for those that took part in the community study, we encourage readers to cast an incredulous eye on its simplicity. It unhelpfully represents wellbeing domains in a static, siloed, and hierarchical ranking.

The framing of wellbeing must be improved to show the interrelated nature of domains; siloed domain groupings are not an accurate representation of how wellbeing is experienced.

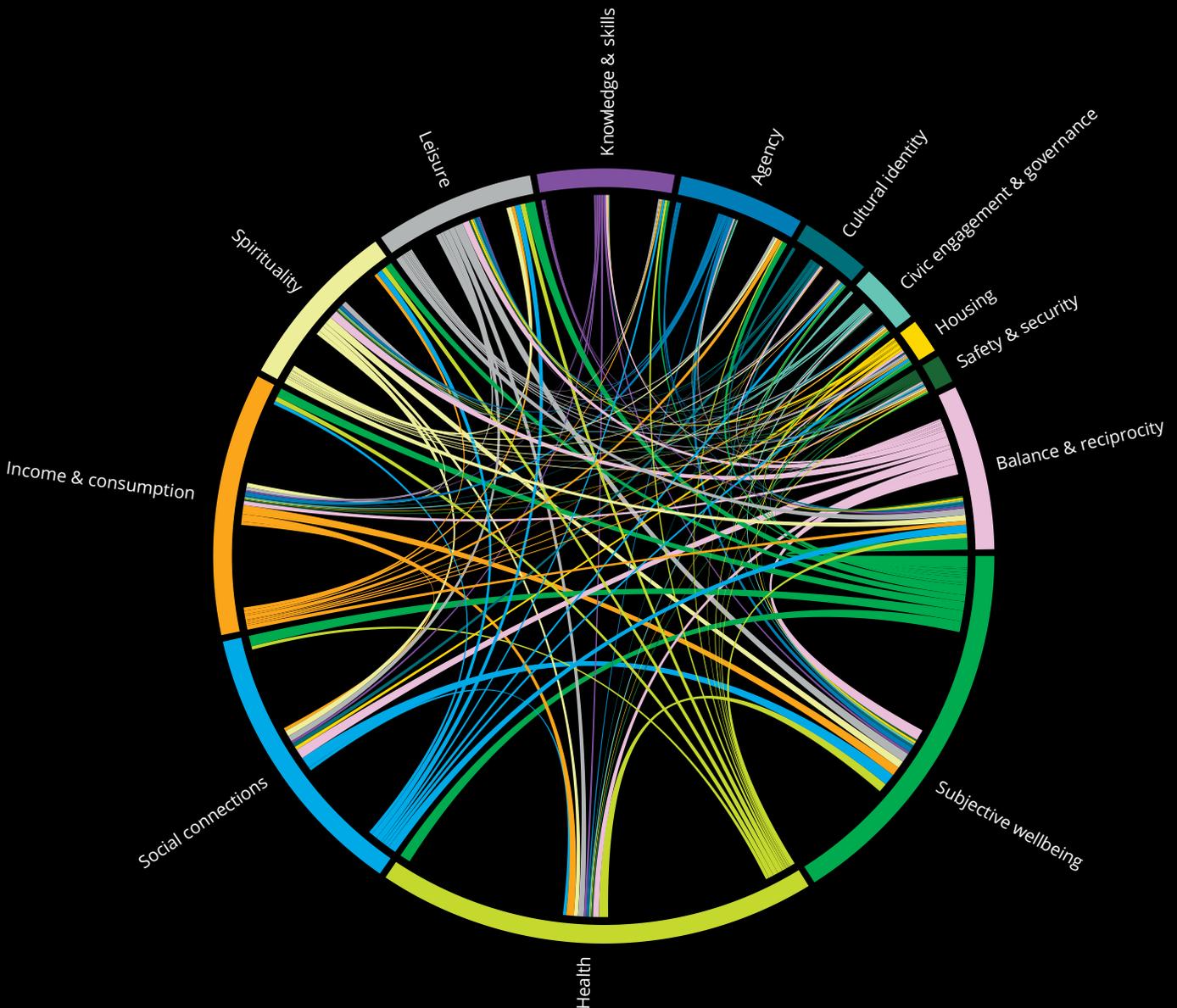
For policy purposes, wellbeing must be viewed through the spectacles of measurement. In this view, wellbeing is conveniently characterised in quantitative terms, as a series of objective entities existing in isolation waiting to be ‘achieved’ in order to gauge how well we are doing. However, wellbeing does not exist independently of people or the historical, social and political context in which they live. A real-world perspective would be to view wellbeing as a continuum of dynamic, interacting, and ongoing processes subject to change over time.

Perhaps a more helpful representation that frames wellbeing in this way is the diagram in Figure 4.

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Figure 4

Wellbeing at the community level perspective



This diagram represents wellbeing at the community level perspective. It shows the same wellbeing rankings as Table 2, only now they are represented as larger or smaller edges of a circle. Within the circle, it is possible to view the interrelationships between domains according to the community in the study. In this view, the ultimate goal of wellbeing is about finding balance across all aspects of life while it is constantly in flux, and finding re-equilibrium as people's circumstances change.

Conclusion

In this article, we have evidenced the significant disparities across dimensions of wellbeing for New Zealanders and the considerable work to be done on investing in better wellbeing outcomes for future generations. To address these issues, we must begin by understanding how wellbeing can be best interpreted into local contexts.

If the role of government is to provide equal genuine opportunities for wellbeing, then we must take into account all the complications and trade-offs that occur when it is applied in a messy, complex, and sometimes ambiguous real-world system. While not a straightforward process, this carries the benefit of bridging the disconnect between macro-level wellbeing that influences policy recommendations and local wellbeing outcomes.

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