

# Wellbeing in public policy: Reflections on New Zealand experiences

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**Well-being:** “The state of being or doing well in life; happy, healthy, or prosperous condition; **welfare**” \*

*Shorter Oxford English Dictionary*

*“I believe that [my] work has an underlying unity. It concerns **well-being**, what was once called **welfare**”*

**Angus Deaton – Nobel Prize speech (2016)** *American Economic Review* 2016, 106(6): 12

**All developed country governments have spent large \$s on wellbeing for decades – e.g. health for the elderly**

*“Wealth is about so much more than pounds, or euros or dollars can ever measure. It's time we admitted that there's more to life than money, and it's time we focused not just on GDP, but on GWB - general wellbeing”*

**David Cameron (2006)**

**Also:**

**Australian Treasury Wellbeing Framework, 2004**



# New Zealand government approaches (1)

## Explicit wellbeing targets (2012)

- Reduce long-term welfare dependence by 25% (by 2018)
- 98% of children in quality early childhood education (2016)
- Increase infant immunisation rate to 95% (2017)
- Reduce assaults on children by 5% (2017)
- Increase % of 18-year olds with NCEA2 to >85% (2017)
- Increase % of 25-34 year olds with >L4 quals to 60% (2018)
- Reduce violent crime rate (4 specific targets & dates set)
- Reduce rheumatic fever hospitalisations (specific target/date)



# New Zealand government approaches (2)

## Wellbeing Budget: 5 focus areas (2019)

- Transition to a sustainable and low-emissions economy
- Boost innovation + social & economic opportunities in a digital age
- Lift Māori and Pacific incomes, skills and opportunities
- Support mental wellbeing, with special focus on under 24-year-olds
- Reduce child poverty, improve child wellbeing, address family violence

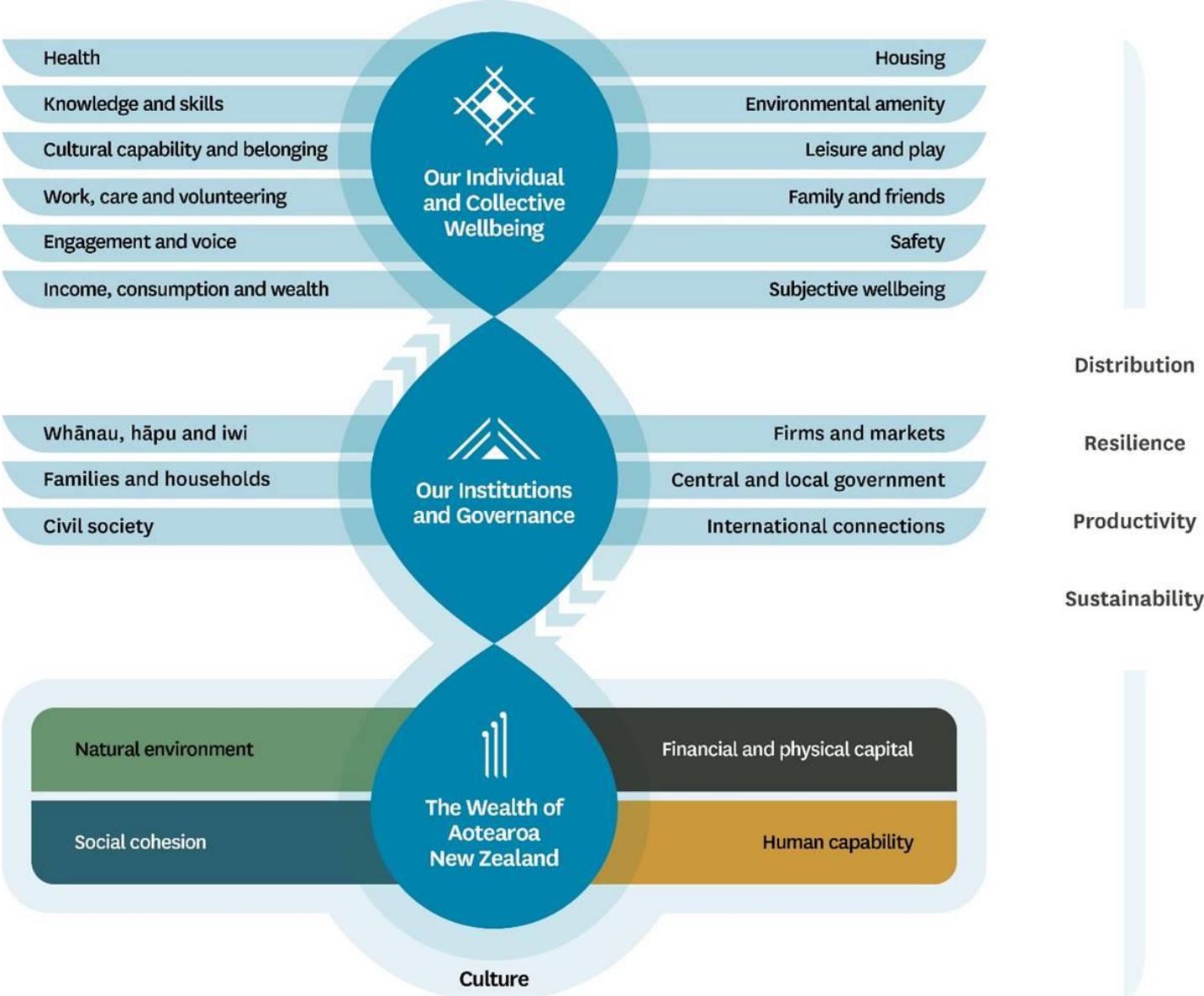
**Target:** Reduce the proportion of children living in households that are in poverty to 5%

**But no targets specified for other focus areas**



# NZ Treasury (2021) Living Standards Framework

## - How can this be used to prioritise policies?



# Subjective wellbeing (SWB)

- Modern survey measures of subjective wellbeing:
  - Happiness; “affect” (shorter term)
  - Eudaimonia (purpose in life)
  - Evaluative wellbeing (longer term)

Eg:

*Please think about your life as a whole these days. This includes all areas of your life. Where zero is completely dissatisfied, and ten is completely satisfied: How do you feel about your life as a whole?*



# Example: Wellbeing of mothers in hardship

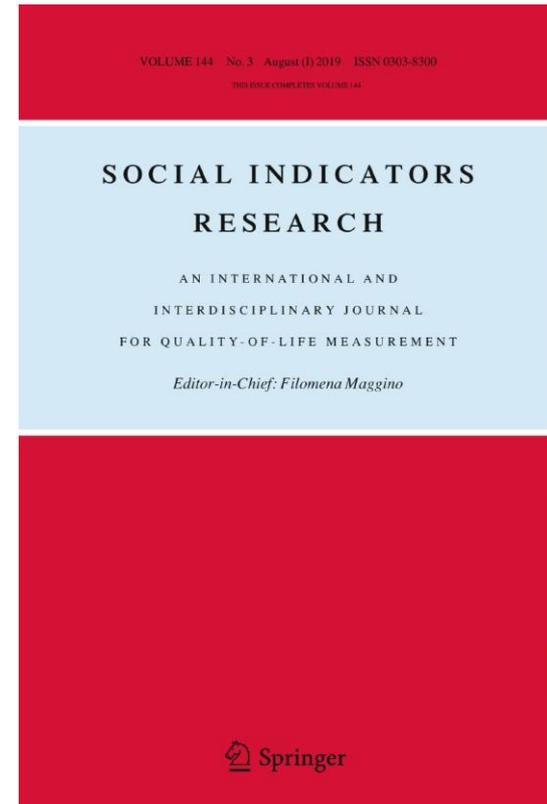
- **LSF domains most associated with SWB of mothers in material hardship are:**

- Knowledge & skills
- Housing

*Also:*

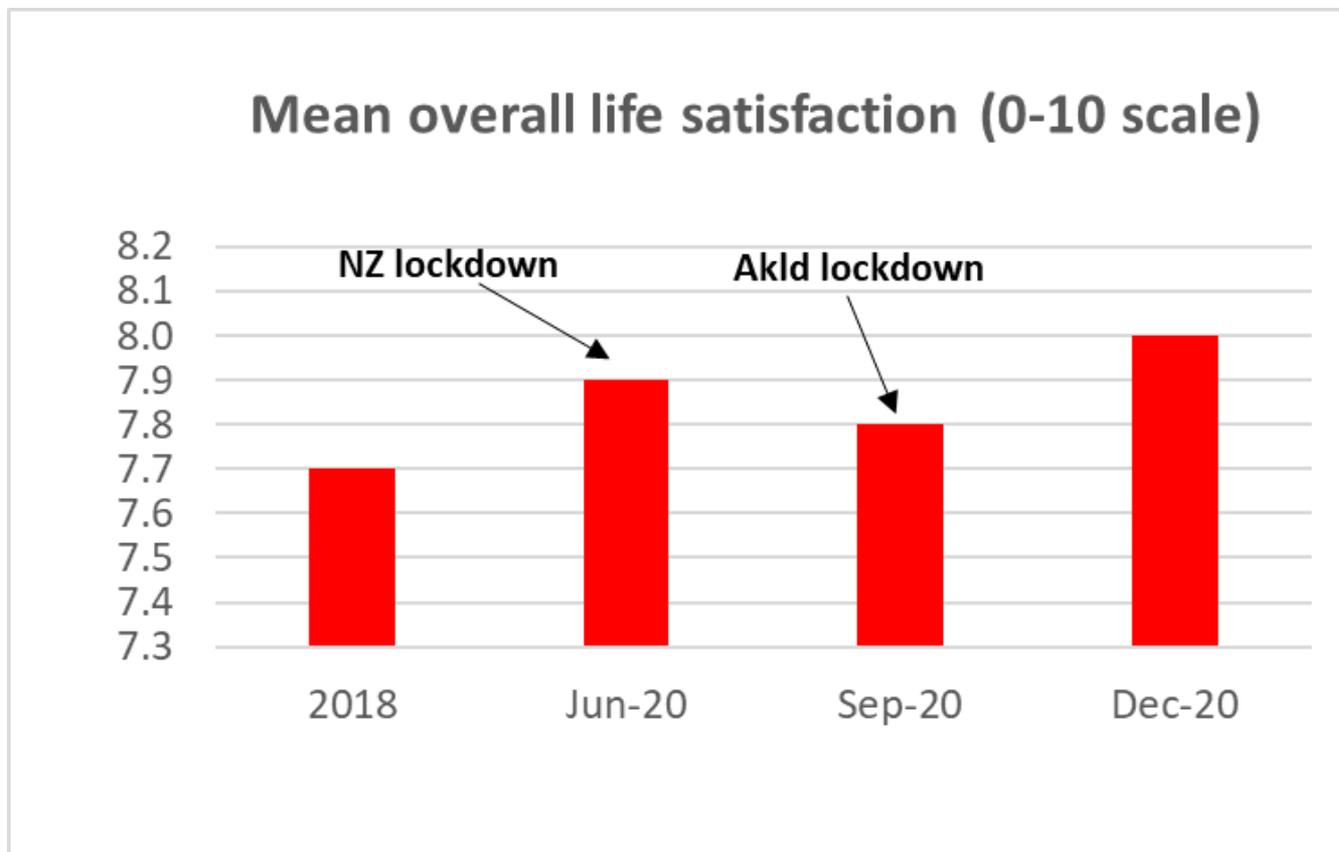
- Social connections
- Safety
- Health

- **Implies further attention to adult education & housing**



Haines L, Grimes A, 2021. What Matters for the Wellbeing of Mothers and Children in Material Hardship? Application of a Modified Indicator Framework. *Social Indicators Research*.

# Example: Wellbeing effects of Covid lockdowns



- Initial lockdown appears to have raised SWB
- But estimates show the 2<sup>nd</sup> (Auckland) lockdown, on average, reduced SWB by 0.2 of a point

Grimes A. 2022. "Measuring pandemic and lockdown impacts on wellbeing", *Review of Income and Wealth*, 68(2), 409-427.

# Final thoughts

*Dashboards with many indicators are interesting but are difficult to use to prioritise policies*

*Wellbeing targets are essential to focus policy*

*Subjective wellbeing (SWB) offers a way forward to understand what really matters for people's welfare*





World Wellbeing Panel

*The World Wellbeing Panel is about the promotion of wellbeing as the ultimate purpose of all major decision makers, particularly government*

**World Wellbeing Panel (2020)**

<https://bse.eu/research/world-wellbeing-panel>