



Making what matters count: Embedding well-being in public policy and discourse

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Abstract

There has been growing interest in the measurement of well-being and subjective well-being across western countries. In New Zealand, official surveys such as the New Zealand General Social Survey, the Disability Survey, and Te Kupenga have asked people about outcomes in multiple aspects of their lives alongside their satisfaction with their lives overall. Outside the Official Statistics System (OSS), surveys such as Gallup and the Sovereign Wellbeing Survey have collected similar data.

Measuring well-being offers governments an opportunity to understand the factors, and combinations of factors, that enable people to live the lives that they themselves most value, and have reason to value. This paper discusses how cross-domain analysis of multi-dimensional datasets can offer clues to policymakers around complex social issues relating to social inclusion, such as discrimination, institutional trust, loneliness, and aspects of civic and cultural participation.

Understanding the associations between various outcomes and indicators can help inform the design and targeting of services facilitating better returns from social investments. In this sense we not only need to measure what matters, but we then need to work to ensure that those measures count in policy dialogues and decision-making.

Introduction

Fifty years after Robert Kennedy famously criticised Gross Domestic Product (GDP) as a measure of societal progress on the basis that it 'measured everything, in short, except that which makes life worthwhile', Statistics NZ released its [2008 General Social Survey](#) (NZGSS), representing a serious attempt by our national statistics office to measure quality of life in New Zealand beyond simple economic measures.

A year after the 2008 NZGSS release, the [European Commission on the Measurement of Economic Performance and Social Progress](#) reported to French President Sarkozy that uni-dimensional measures of progress such as GDP are not sufficient to measure societal progress.

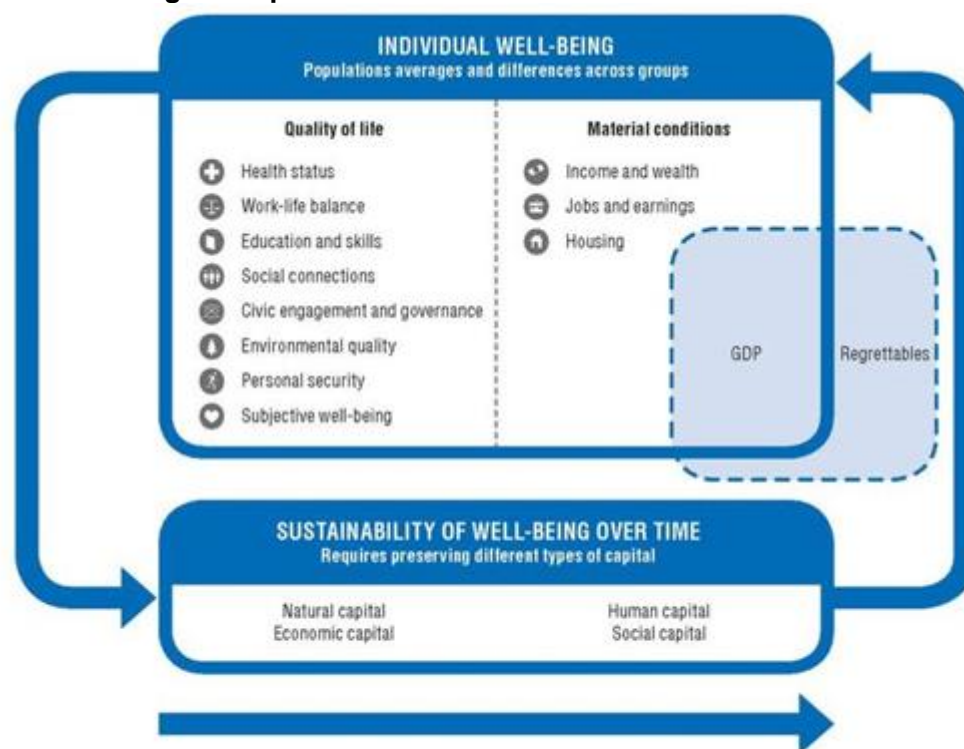
The commission's Stiglitz, Sen and Fitoussi argued that multi-dimensional measures of well-being, reflecting both subjective and objective aspects of life, were needed to understand and monitor progress. At the heart of this perspective is the notion that measures of progress need to reflect individuals' own perspectives on the circumstances of their lives, and their own perception of their ability to exercise choice and live the lives that they themselves most value, and, importantly, have reason to value.

The commission stressed the importance of measuring coincidence of outcomes because, they argued, developments in one domain of life affect other domains, and the consequences of having multiple disadvantages far exceed the sum of the individual effects for quality of life. Measuring coincidence of outcomes can be particularly important when attempting to tame wicked policy problems where there can be complex and intertwined causes and effects, spanning multiple domains and jurisdictions.

Developing a framework

As with anything that we wish to seriously measure, a quality framework needs to sit behind the measurement of well-being or quality of life. So far, the most highly regarded well-being framework is arguably the OECD's well-being conceptual framework. The [OECD's framework for measuring well-being](#) identifies three pillars for understanding and measuring people's well-being: i) material living conditions; ii) quality of life; and iii) sustainability. Within these three pillars, it measures quality of life across 11 domains (see figure 1). This approach draws closely on that proposed by Stiglitz, Sen and Fitoussi, and by measurement practices around the world.

Figure 1
The OECD well-being conceptual framework



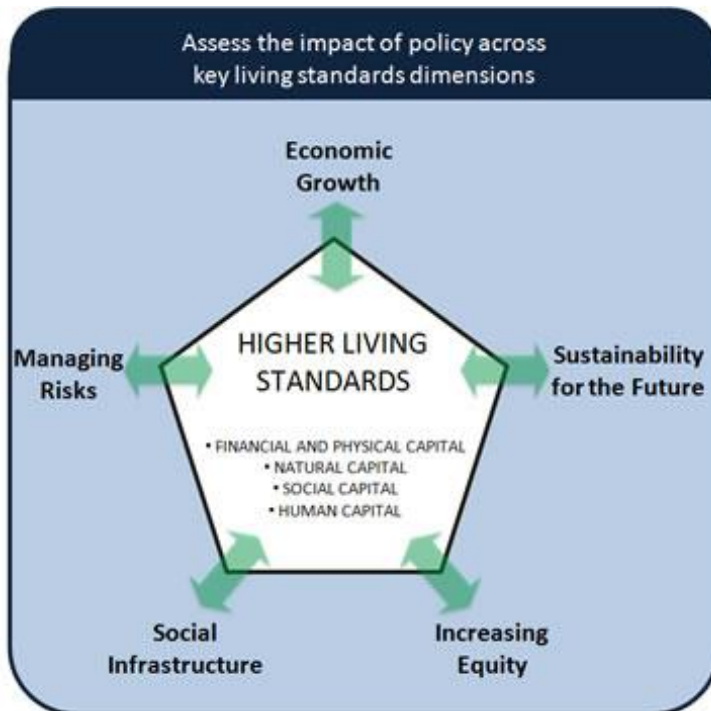
Source: OECD (2011), *How's Life?: Measuring Well-being*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264121164-en>.

In New Zealand, the MSD's 2010 [Social Report](#) reports on social indicators that complement existing economic and environmental indicators. It presents social well-being indicators in 10 areas of people's lives that largely mirror the OECD's well-being framework.

In May 2011, the Treasury released a [working paper](#) outlining what it meant by living standards in its vision "working for higher living standards for New Zealanders". This provided a coherent framework for approaching living standards. The Treasury intend to use this as a tool to assist policy analysts to consider the key elements of the living standards framework in their day-to-day work. Importantly, it goes beyond just economic growth in considering what is important for living standards in New Zealand.

Figure 2

Treasury living standards framework



The measurement contribution of Statistics NZ

Since 2008 we have released four waves of our NZGSS, creating a rich resource of data on social well-being in New Zealand. We've extended the multi-dimensional social well-being model underpinning NZGSS to [Te Kupenga](#), providing robust statistics on Māori well-being reflecting both Māori and mainstream western economic world views. Additionally, we have extended this model into a [survey of disabled people in New Zealand](#), giving the opportunity to conduct analysis not just across the general population but also looking in depth at important populations of policy interest.

Arguably New Zealand has been successful, and in many respects a world leader, in measuring what matters to the well-being of our population. As government focus shifts from remedial social spending to an investment focus, with an accompanying challenge to bring evidence and data to policy formulation, there is a real challenge and opportunity to bring multi-dimensional well-being data to policy formulation and evaluation discourse, to ensure we don't only measure what matters, but we make sure that what matters counts in decision-making processes.

Making it count

There is a growing acceptance of the importance of measuring well-being beyond income. And given that the underlying premise in most public policy is that a policy is good because we think it will benefit someone, somewhere, there is also an increasing recognition that well-being measurement needs to be used in policy making. Indeed the drive towards better well-being and sustainability measures will be successful only if we show that they can lead to better policies.

Because of this, the next great frontier in the area of well-being is how we best use this relatively new measurement most effectively to influence policymaking. As the OECD points out, much of the work to embed well-being in policy is still in front of us, and more collaborative research will be needed to make this happen (OECD, 2012). This research agenda is crucial for: moving from measurement to informing decision-making; creating awareness and knowledge; and impacting

on the behaviours of citizens, civil society, the business community, the media, policymakers, and official statisticians themselves.

The Treasury's Living Standards framework is a big step in this direction. To have a Treasury analyst considering this wider well-being framework when developing policy makes New Zealand a world leader in this area.

Statistics NZ is also determined to be at the forefront of this work through our research. What follows is an outline of some of the work we have been doing to apply multi-dimensional well-being data to real-world complex issues that are important to New Zealand's ability to grow and prosper.

Simple beginnings

Much of our early research revolved around single aspects of well-being. This was important to improve the picture of social well-being in New Zealand through the use of our new measures. But it was also an important starting point for us to improve our understanding of well-being data before we moved on to more complex research.

New Zealand society is increasingly ethnically diverse. For instance, Census data shows that one in four New Zealand residents was born overseas in 2013, compared to one in five in 2001. Projections suggest that the Māori, Asian, and Pacific populations will all increase their share of the total New Zealand population because of their higher growth rates. Projections suggest that as a percentage of New Zealand's total population by 2038 the:

- Māori population will make up 19.5 percent of the total, compared with 15.6 percent in 2013
- Asian population will make up 20.9 percent of the total, compared with 12.2 percent in 2013
- Pacific population will make up 10.9 percent, compared with 7.8 percent in 2013
- European or Other population will make up 65.6 percent, compared with 74.6 percent in 2013.

Monitoring attitudes and behaviours with regard to cultural diversity will become increasingly important. Understanding the dynamics of people's sense of belonging, shared identities and national identity, and ability to express their identities alongside acceptance of diversity, is important, not only for ethnic minority groups and migrant communities, but also for people with a disability or mental health condition, religious groups, and the gay, lesbian, bisexual and transgender community.

Discrimination, a lack of acceptance of diversity, and social exclusion jeopardise the well-being of minority groups and also inhibit the integration of these groups within society and therefore the extent to which they can contribute to the well-functioning of New Zealand's society and economy. Entrenched social exclusion can challenge social stability by creating tensions between groups in society.

Monitoring the prevalence of social inclusion and exclusion is important. Understanding the distribution of social inclusion and exclusion across population groups of policy interest is also important. From a policy perspective, however, understanding how we might strengthen our society to be cohesive, tolerant, and inclusive, while mitigating vulnerability and maximising resilience, is also important.

Using multi-dimensional NZGSS and Te Kupenga data, we considered some key indicators of social cohesion and considered whether multivariate analysis could identify factors associated with each issue to inform policy.

Working together: Racial discrimination in New Zealand 2012

Working together: Racial discrimination in New Zealand found that 10 percent of New Zealanders reported experiencing some type of discrimination in the previous year. The report found that the

most common type of discrimination reported was racial discrimination, and this was experienced by 6 percent of the population, equating to 187,000 New Zealanders, in the previous year. Those who identified as Asian peoples reported the highest levels of racial discrimination in any setting, followed by Māori and Pacific peoples, who reported similar levels of racial discrimination.

Statistical modelling based on this group of people shows that Māori, Pacific, and Asian peoples are all more likely to report experiencing racial discrimination in the workplace than the majority group (European).

Migrants are more likely to experience racial discrimination in the workplace than non-migrants (people born in New Zealand). Racial discrimination is not only associated with a person's ethnic group, but also with whether or not they were born in New Zealand.

The Human Rights Act 1993 and the Employment Relations Act 2000 introduced processes for monitoring and reporting racial discrimination in the workplace.

The NZGSS findings on racial discrimination in the workplace are relevant to those monitoring human rights, as well as those interested in growing and utilising the human capital necessary to underpin economic growth in New Zealand.

Non-voters in 2008 and 2011 general elections

Non-voters in 2008 and 2011 general elections examined the reasons people gave for not voting in the 2008 and 2011 general elections. The analysis was in collaboration with the Electoral Commission who were interested in using NZGSS data to inform their efforts to encourage voter turnout for the 2014 general election.

For the Electoral Commission it was useful to know whether, for example, given a trend of lower turnout among younger voters, lower turnout among Māori was associated with the younger age structure of the Māori population, or whether there was an independent ethnic association.

- In the 2012 NZGSS, 20 percent of people said they hadn't voted in the 2011 general election (this includes people who said they were not enrolled or not eligible to vote).
- In the 2010 NZGSS, 19 percent of people said they hadn't voted in the 2008 general election (this includes people who said they were not enrolled or not eligible to vote).
- 21 percent of non-voters said they did not vote in the 2011 general election because they 'didn't get round to it, forgot or were not interested'.
- A further 20 percent of non-voters in the 2011 general election said they were not eligible or enrolled.
- Voting behaviour differed by age, labour force status, migrant status, and income adequacy. Such trends are consistent for both the 2008 and 2011 general elections.

A matter of trust: Patterns of Māori trust in institutions 2013

A matter of trust: Patterns of Māori trust in institutions 2013 used information from Te Kupenga to explore Māori adults' patterns of trust in six selected institutions. It discussed the most- and least-trusted institutions and the characteristics of Māori associated with these levels of trust.

A matter of trust finds that:

- Māori adults have the highest levels of trust in the police, the health system, and the courts, while the lowest trust was in the media.
- On average, the more trusting Māori are towards people in general, the more trusting they are of institutions.
- Young Māori (aged 15–19) and older Māori (65+) tend to be more trusting of the police and media than those aged 20–64.
- Māori who identify as being of sole Māori ethnicity are less likely to trust the police – but more likely to trust the media – than those who identify with multiple ethnicities.

- As material well-being increases, the level of trust in the police also increases.
- The more highly qualified Māori are, the lower their level of trust in media.
- Māori adults who are unemployed have a higher level of trust in media than those who are employed or not in the labour force.

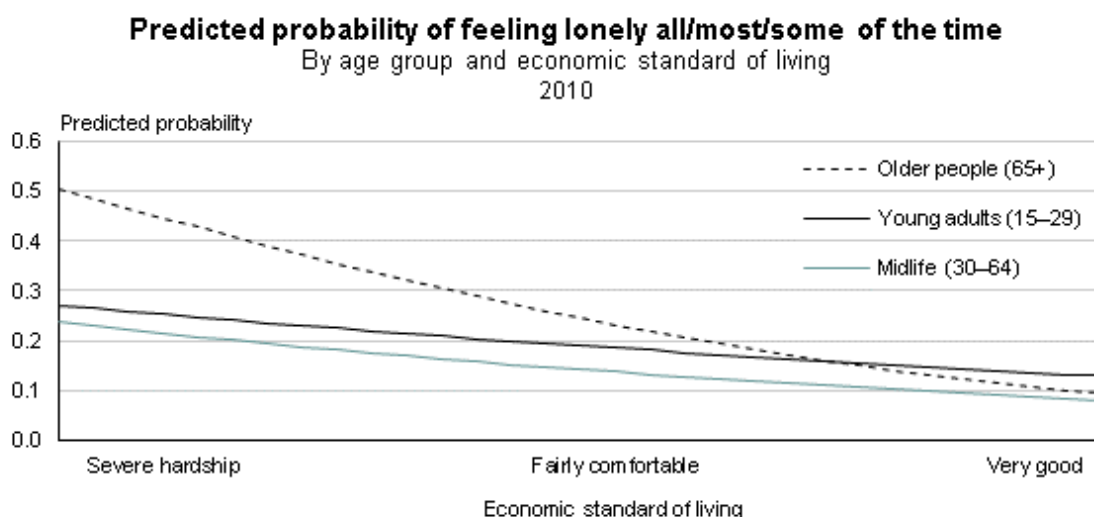
Public institutions, such as the police, the courts, and government, design and enforce rules and policies that aim to promote a well-functioning society. Others aim to provide opportunities for people to participate in society and economy, for example, through health and education services. Trust in institutions tells us how people perceive the transparency, accountability, and integrity of these public institutions.

Loneliness in New Zealand

In 2013 we used regression modelling on the NZGSS data to explore patterns of loneliness in adults aged 15 years and older in New Zealand, including the prevalence of loneliness and the relationship between loneliness and a range of key risk factors. The key findings are:

- In 2010, one in three (1.02 million) adult New Zealanders felt lonely to some degree in the last four weeks.
- Overall, young adults had a greater likelihood of feeling lonely and the chances of feeling lonely decreased linearly with age, so that older people were the least likely to feel lonely.
- There was a strong relationship between a person's economic standard of living and their feelings of loneliness. This association increased for older people.
- Being a recent migrant was associated with loneliness only for people in midlife.

Figure 3



Note: The reference group used to generate the predicted probabilities was female, non-Asian, NZ born, household of four or more people, seen family or friends in the last week, not treated unfairly in the last 12 months, and the average age, and mental and physical health status for the adult population.

Source: Statistics New Zealand

An ageing population and an increase in people living alone has seen social isolation and loneliness fast emerging as major issues facing modern society, particularly because of their adverse effect on health and well-being. Because of this there are policy implications to loneliness that need to be considered by both policymakers and service providers.

Understanding the groups most affected by loneliness and the social factors strongly associated with loneliness, will provide an evidence base for policymakers and service providers to potentially tackle loneliness through either targeted or indirect interventions.

Within western modern societies, loneliness has traditionally been seen as a problem that is particularly associated with old age. As a result, there is a good deal of policy interest in the social isolation or loneliness of older people. However, this analysis showed that loneliness is more an issue for youth. Importantly, the way that people experience loneliness differs greatly across the life course and this needs to be considered in policymaking and service provision.

Moving to a multi-dimensional view

We are now looking to take our analysis further by extending it to a multi-dimensional view of well-being. Instead of only looking at how people's lives look in respect of one social phenomenon, such as loneliness or discrimination, we have looked at how people's lives look across a range of these phenomenon.

Multiple disadvantage is taken to be when people incur disadvantages or deficits across a number of different aspects of life. It has proved to be a powerful tool in the analysis of social issues (Jensen, Sathiyandra & Matangi-Want, 2007). While the lack of a good outcome in one aspect of life can create difficulties for people, the experience of a lack of good outcomes in multiple aspects of life can have a compounding and persistent effect.

There is a large body of evidence that suggests that multiple disadvantage is an underlying factor in many of the social and health problems at which government policies are directed. Indeed, the accumulation of disadvantages may lead to a compounding of their effects, with the combined impact being greater than might have been expected from the sum of their effects separately.

This points to a failure in finding explanations for many societal problems, such as criminal offending, homelessness, and educational failure, through single factor solutions. As the OECD points out, this cross-cutting and multi-dimensional perspective is often lost in policymaking, as government actions are traditionally organised in 'silos', focusing on sectoral or departmental objectives (OECD, 2012).

Vulnerable children and families

In 2012, our *Vulnerable children and families* analysis provided a national picture of the prevalence and characteristics of households with vulnerable children. Working with subject experts from the Ministry of Social Development, we identified 11 risk factors believed to adversely affect children's development or well-being. The selected risk factors are related to health, housing, income adequacy, neighbourhood, social connections, crime, and discrimination.

These selected risk measures are not exhaustive and information on other potentially important risk factors, such as parental drug or alcohol abuse, isn't collected in the survey. In addition, the risk factors are linked to the individual respondent rather than the household as a whole. For these reasons we believe the report potentially understates the number of households and children at risk.

However, because the report is based on a random and representative sample of New Zealanders and reflects the increased risk posed by cumulative poor outcomes on people's ability to cope, we believe it forms a useful adjunct to administrative data when considering this important policy issue.

The report found that:

- 1 in 4 children under the age of 18 live in households defined in this report as medium or high risk, or those with three or more risk factors.
- 6 percent of children live in high-risk households with five or more risk factors.
- households in the high-risk group include those receiving benefit income, sole-parent households, large households, households with Māori respondents, and households where the mother had given birth to her child before the age of 21.

Table 1

Number and proportion of children by risk group

April 2010–March 2011

	Number of risk factors	Number of children (aged under 18 years)	Proportion of children (%)
No risk	0	328,000	30
Low risk	1–2	482,000	45
Medium risk	3–4	201,000	19
High risk	5+	67,000	6
Source: Statistics New Zealand			

Improving outcomes for vulnerable children has been an across-government policy priority, sitting at the heart of Better Public Services within result areas 2-4. Vulnerable children and families is a good example of a wicked policy problem, with multiple, complex, and intertwined causes and effects.

Infometrics has estimated that child abuse and neglect costs New Zealand around \$22 billion per year. Aside from the loss of potential human capital through the opportunity cost of children failing to thrive and achieve their full potential, child abuse and neglect is an important area for consideration as social policy and spending moves from a remedial to an investment approach.

Child abuse and neglect can be associated with inter-generational multiple disadvantage. Linked administrative data and cohort studies, such as the Dunedin, Christchurch and, more latterly, Auckland studies are powerful data sources in terms of understanding trajectories and outcomes over time against interventions. However, we considered whether multi-dimensional data from NZGSS could be applied to give a snapshot of the prevalence and distribution of at-risk children, at a point in time, by considering households containing children where NZGSS respondents reported multiple disadvantage relating to compound risk.

Understanding the demographic characteristics, and clusters of characteristics of respondents who report multiple poor outcomes and live in households containing children, enables policy to more effectively target programs and interventions.

Additionally, this information can enable researchers working on non-representative administrative data sets to target research questions more effectively and identify populations of interest with greater surety.

Coincidence of multiple good outcomes

In 2013 the [NZGSS:2012 information release](#) looked at the prevalence of multiple good outcomes across the New Zealand adult population. It also looked at how this coincidence of multiple good outcomes related to life satisfaction.

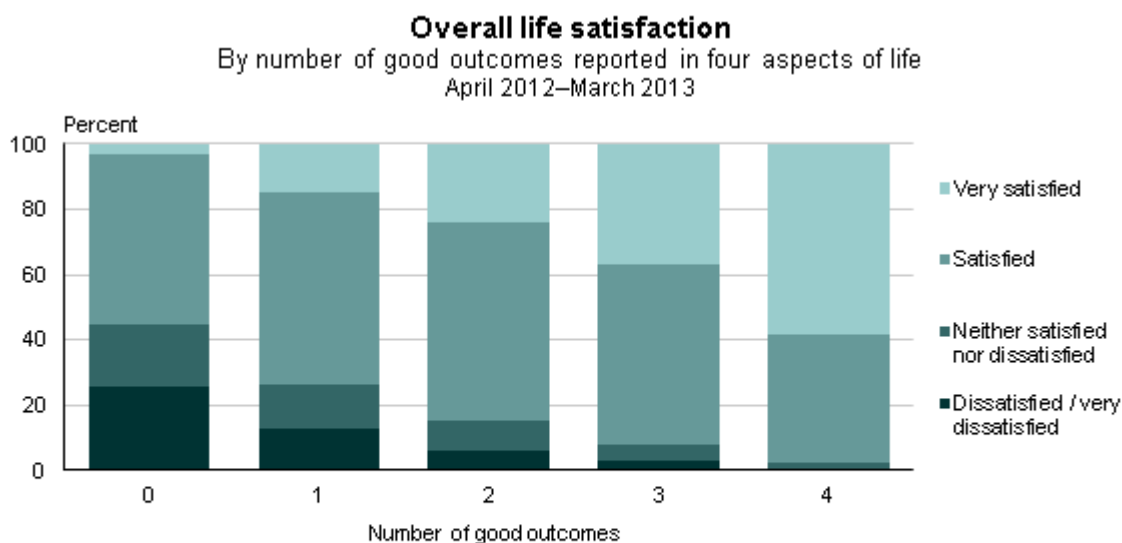
This analysis was informed by regression modelling that looked at the aspects of life most strongly associated with overall life satisfaction. This modelling showed that health, money, relationships, and housing had the strongest relationships with the life satisfaction of New Zealand adults.

The analysis found that:

- 21 percent of New Zealanders had good outcomes in all four of these aspects of life (ie excellent or very good health, more than enough or enough money, never felt lonely, and no major housing problems).
- 98 percent of those with four good outcomes were satisfied or very satisfied with their lives overall.

- 5.4 percent of New Zealanders did not have a good outcome in any of the four aspects of life. Of these people, 56 percent were satisfied or very satisfied with their lives overall.

Figure 4



Note: A good outcome means someone reports having: excellent or very good general health, more than enough or enough money to meet everyday needs, not felt lonely in the last four weeks, and no major problems with their house or flat.

Source: Statistics New Zealand

The determinants of life satisfaction for Māori

In 2015 we produced *Ngā tohu o te ora*. This provided a comprehensive understanding of the aspects of life that contribute to life satisfaction for Māori. Previous work on well-being tended to look at populations as a whole – only a few have examined smaller sections of the population. And little analysis exists on the relationship between life satisfaction and culture. This analysis looked at addressing both these gaps in knowledge.

Regression analysis shows that life satisfaction for Māori is significantly associated with the same aspects of life as other populations around the world, including New Zealanders. In particular, relationships, health, and income have the strongest associations. However, some evidence shows that relationships have a stronger association for Māori than for all New Zealanders.

For Māori, connecting with their culture is also associated with life satisfaction. The more important it is to be involved in things to do with Māori culture, the more likely their levels of life satisfaction are higher. However, this relationship is not strong – the most important factors for Māori remain relationships, health, and income.

Table 2

Measures that contribute to overall life satisfaction for Māori

Subjective measure	Contribution	
	Percent ⁽¹⁾	Size/strength ⁽²⁾
Loneliness	7.45	Large
Health status	6.68	Large
Income adequacy	5.22	Large
Number of housing problems	3.08	Large

General trust	2.79	Large
Trust in courts	2.42	Large
Importance of culture	0.32	Small
Te reo Māori proficiency	0.21	Small

1. R-squared of model (1) and subjective measure
 2. Large=contribution of 1.0 percentage point or more to R-square; moderate=contribution of 0.5<1.0 percentage point to R-square; small=contribution of 0.1<0.5 percentage point to R-square; very small=contribution of less than 0.1 percentage point to R-square.
 Source: Statistics New Zealand

Significant policy initiatives are aimed at enhancing the well-being of Māori. A number of these recognise the relationship between outcomes in multiple aspects of an individual's life, the role of whānau on individual's outcomes, and well-being models grounded in a Māori world view.

The most significant of these initiatives is [Whānau Ora](#), an inter-agency approach providing inclusive health and social services to New Zealand whānau and families in need. The goal of Whānau Ora is to empower whānau to significantly improve the health, educational, and economic outcomes using the money invested by government agencies in social services.

Understanding the combinations of factors that affect Māori perceptions of well-being, and variations in the distribution of these factors across population groups, can help develop and implement policies aimed at enhancing Māori social and economic well-being.

Conclusion

There is now a growing acceptance of measuring well-being beyond income and also around what a conceptual framework for this measurement looks like. The next big step is to embed well-being in policy making. A research agenda is crucial for moving well-being measurement into informing decision making.

Along with many other researchers, Statistics NZ has made a significant start to establishing this research agenda. We have produced a number of research pieces across a range of aspects of New Zealanders' social well-being. These have shown how public policy might be applied to single aspects of life. We have also begun to extend our research to a multi-dimensional view of well-being. This is important, because developments in one aspect of life affect other areas. And the consequences for well-being of having multiple disadvantages far exceed the sum of the individual effects. Multiple disadvantage is an underlying factor in many of the social and health problems at which public policy is directed.

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