

# Wellbeing, Social Capital, and Sustainability



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# SOCIAL PROGRESS WHAT WORKS?

The First International  
Gathering to Learn from the  
Communities and Countries  
that Over-Perform on the  
Social Progress Index

28 April 2016  
HARPA Conference Center, Reykjavík, Iceland

[www.socialprogressimperative.org](http://www.socialprogressimperative.org)

# Comparing the Better Life Initiative to NZ Treasury 'Living Standards Framework'

## OECD well-being dimensions

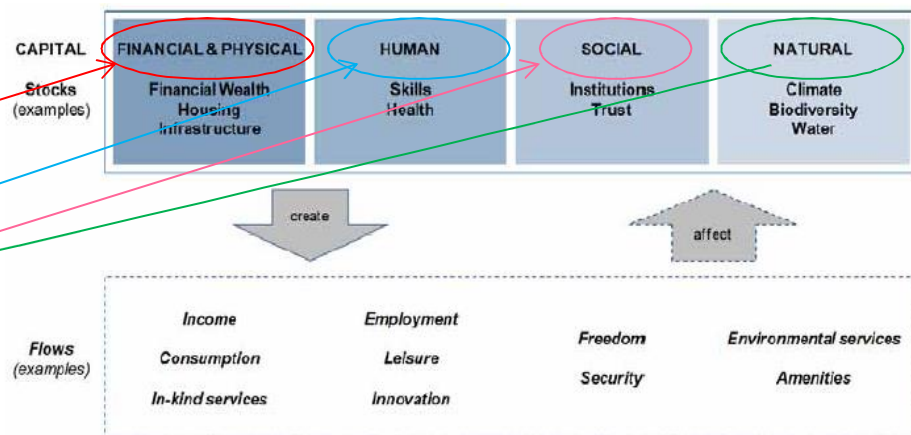
### Individual well-being



## NZL Treasury's Indicators for Measuring Living Standards

Income  
Wealth  
Employment  
Leisure  
Education/Skills  
Health  
Trust  
Security  
Environment  
Subjective well-being

## Treasury's Living Standards Framework



## Sustainability of well-being over time



# NZ Social Wellbeing Domains

- “ Health
- “ Knowledge and Skills
- “ Paid Work
- “ Economic Standard of Living
- “ Civil and Political Rights
- “ Cultural Identity
- “ Leisure and Recreation
- “ Safety
- “ Social Connectedness
- “ Life Satisfaction

# Social Progress Index

## Social Progress Index component-level framework

### Social Progress Index

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#### Basic Human Needs

Nutrition and Basic Medical Care  
Water and Sanitation  
Shelter  
Personal Safety

#### Foundations of Wellbeing

Access to Basic Knowledge  
Access to Information and Communications  
Health and Wellness  
Environmental Quality

#### Opportunity

Personal Rights  
Personal Freedom and Choice  
Tolerance and Inclusion  
Access to Advanced Education



## Social Progress Index

### Basic Human Needs

#### Nutrition and Basic Medical Care

- Undernourishment
- Depth of food deficit
- Maternal mortality rate
- Child mortality rate
- Deaths from infectious diseases

#### Water and Sanitation

- Access to piped water
- Rural access to improved water source
- Access to improved sanitation facilities

#### Shelter

- Availability of affordable housing
- Access to electricity
- Quality of electricity supply
- Household air pollution attributable deaths

#### Personal Safety

- Homicide rate
- Level of violent crime
- Perceived criminality
- Political terror
- Traffic deaths

### Foundations of Wellbeing

#### Access to Basic Knowledge

- Adult literacy rate
- Primary school enrollment
- Lower secondary school enrollment
- Upper secondary school enrollment
- Gender parity in secondary enrollment

#### Access to Information and Communications

- Mobile telephone subscriptions
- Internet users
- Press Freedom Index

#### Health and Wellness

- Life expectancy at 60
- Premature deaths from non-communicable diseases
- Obesity rate
- Suicide rate

#### Environmental Quality

- Outdoor air pollution attributable deaths
- Wastewater treatment
- Greenhouse gas emissions
- Biodiversity and habitat

### Opportunity

#### Personal Rights

- Political rights
- Freedom of speech
- Freedom of assembly /association
- Freedom of movement
- Private property rights

#### Personal Freedom and Choice

- Freedom over life choices
- Freedom of religion
- Early marriage
- Satisfied demand for contraception
- Corruption

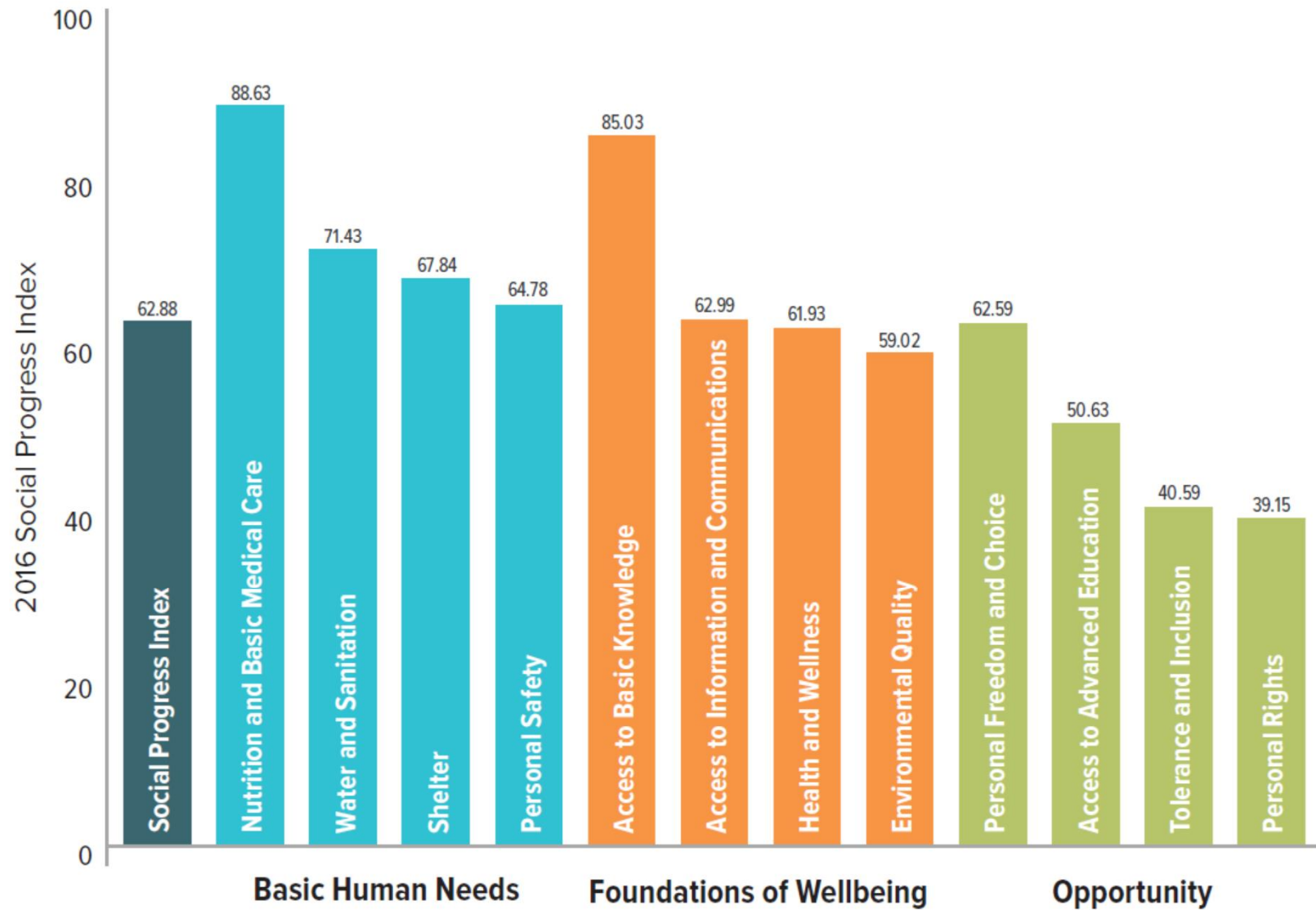
#### Tolerance and Inclusion

- Tolerance for immigrants
- Tolerance for homosexuals
- Discrimination and violence against minorities
- Religious tolerance
- Community safety net

#### Access to Advanced Education

- Years of tertiary schooling
- Women's average years in school
- Inequality in the attainment of education
- Globally ranked universities
- Percentage of tertiary students enrolled in globally ranked universities

## World Social Progress Index and component scores



# SOCIAL PROGRESS INDEX 2016 RESULTS

## Very High Social Progress

Rank	Country	Score
1	Finland	90.09
2	Canada	89.49
3	Denmark	89.39
4	Australia	89.13
5	Switzerland	88.87
6	Sweden	88.80
7	Norway	88.70
8	Netherlands	88.65
9	United Kingdom	88.58
10	Iceland	88.45
10	New Zealand	88.45
12	Ireland	87.94

## High Social Progress

13	Austria	86.60
14	Japan	86.54
15	Germany	86.42
16	Belgium	86.19
17	Spain	85.88
18	France	84.79
19	United States	84.62
20	Slovenia	84.27

45	Kuwait	71.84
46	Brazil	71.70
47	Serbia	71.55
48	Colombia	70.84
49	Peru	70.09
50	Malaysia	70.08
51	Mexico	70.02
52	Albania	69.78
53	Ecuador	69.56
54	Georgia	69.17
55	Montenegro	68.17
56	Tunisia	68.00
57	Macedonia	67.88
58	Turkey	67.82
59	South Africa	67.60
60	Paraguay	67.44
61	Thailand	67.43
62	Botswana	67.03

## Lower Middle Social Progress

63	Ukraine	66.43
64	El Salvador	66.36
65	Saudi Arabia	66.30
66	Belarus	66.18

93	Iran	59.45
94	Tajikistan	58.78
95	Nepal	57.40

## Low Social Progress

96	Senegal	55.64
97	Cambodia	54.28
98	India	53.92
99	Kenya	53.72
100	Malawi	53.44
101	Bangladesh	52.73
102	Laos	52.54
103	Lesotho	52.39
104	Iraq	52.28
105	Rwanda	51.91
106	Swaziland	51.76
107	Uganda	50.69
108	Benin	50.03
109	Tanzania	49.99
110	Myanmar	49.84
111	Republic of Congo	49.74
112	Burkina Faso	49.34
113	Pakistan	49.13
114	Zimbabwe	49.11



## Social Progress Index vs GDP per capita

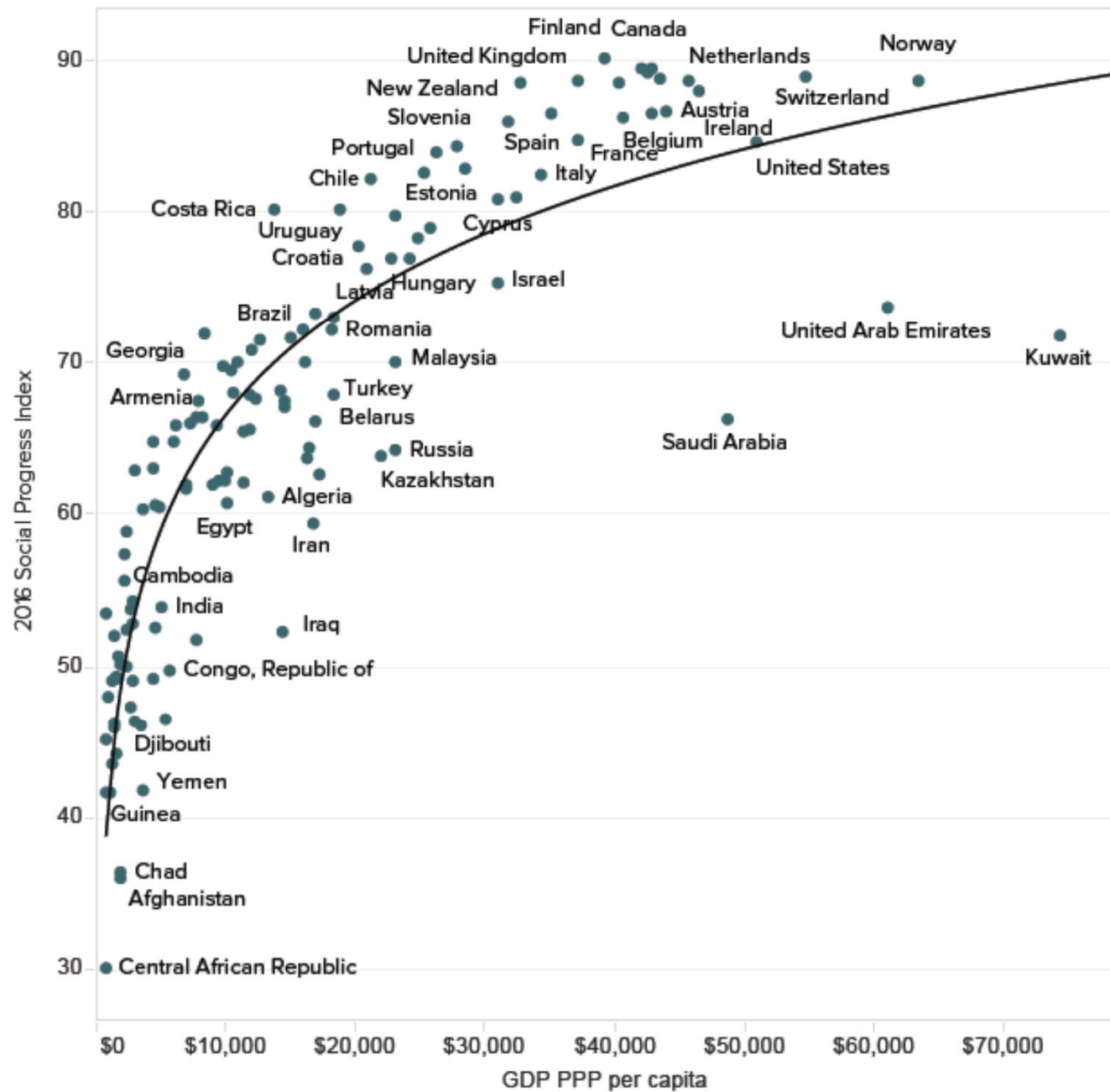


Figure 3.2 / Dimensions of Social Progress vs. GDP per capita

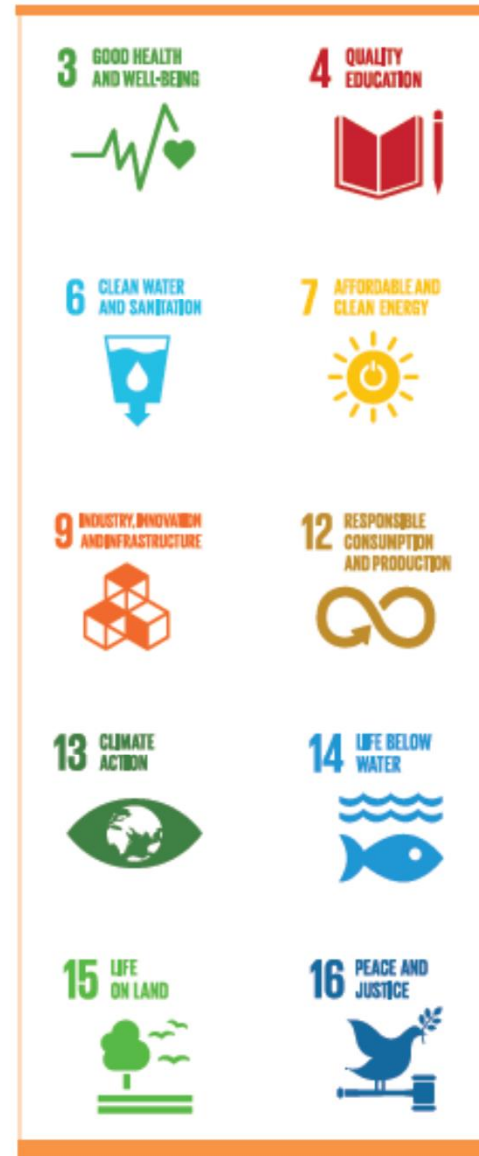


# Social Progress Index

## Basic Human Needs



## Foundations of Wellbeing



## Opportunity

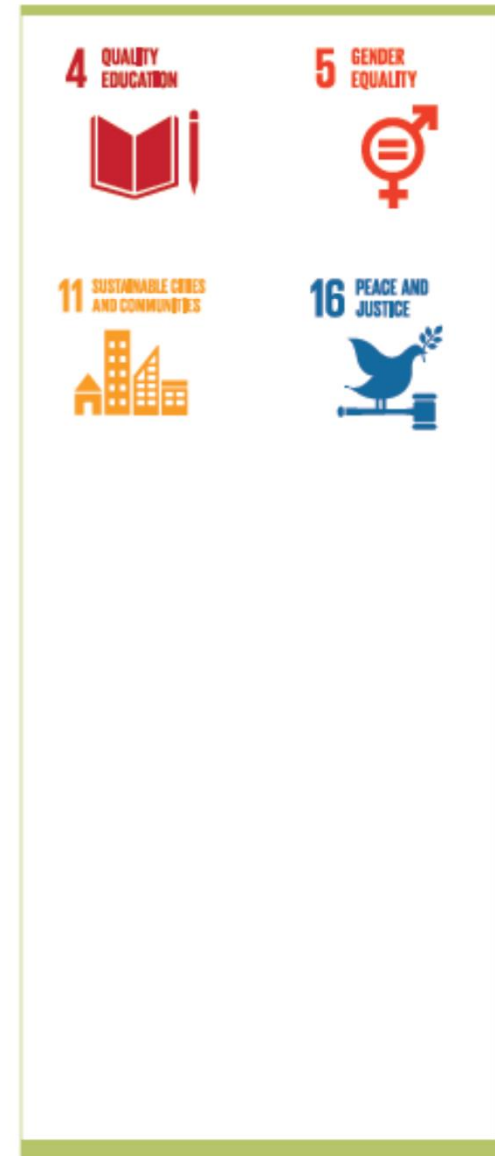


Figure 2.4 / Map of 2016 Results

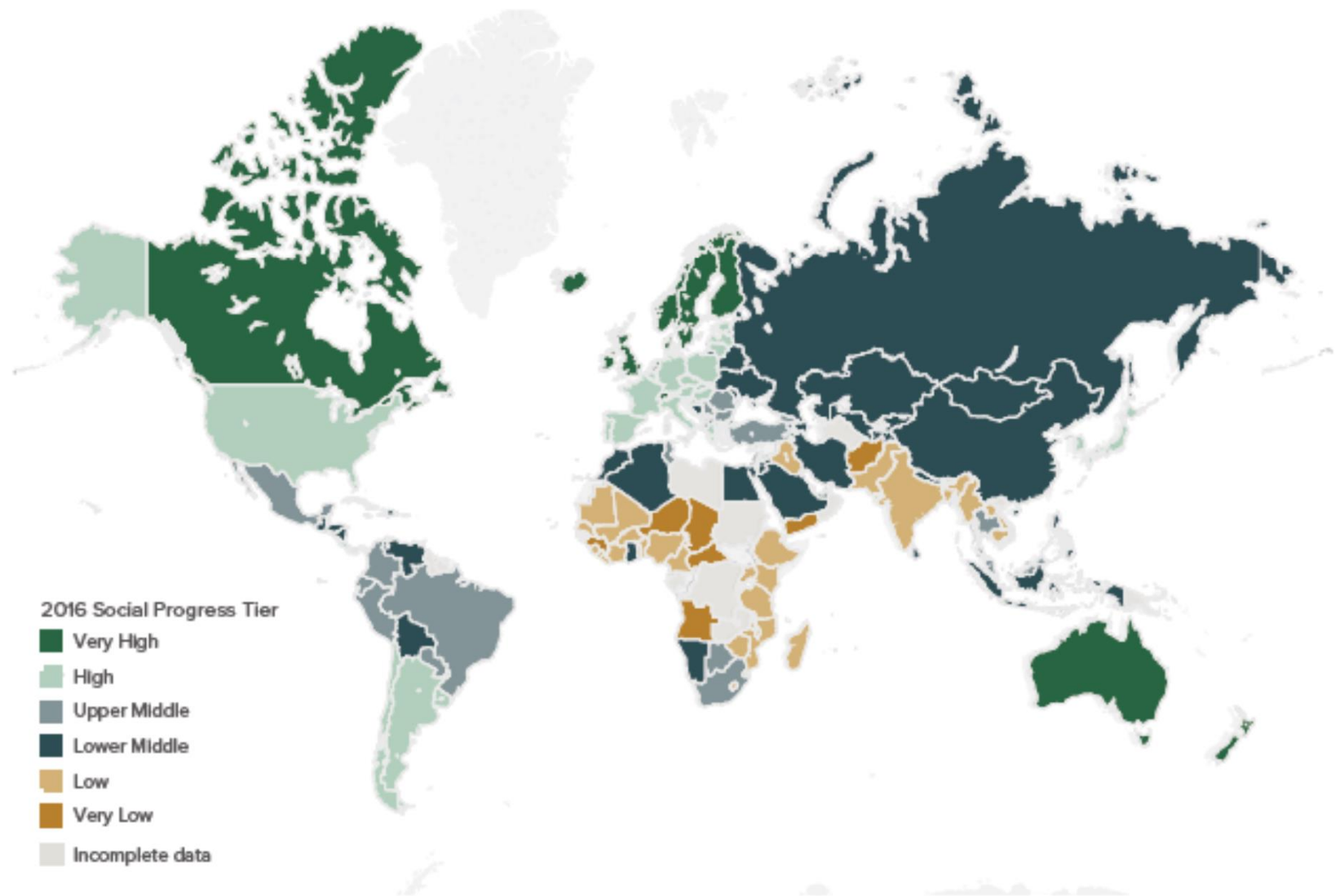
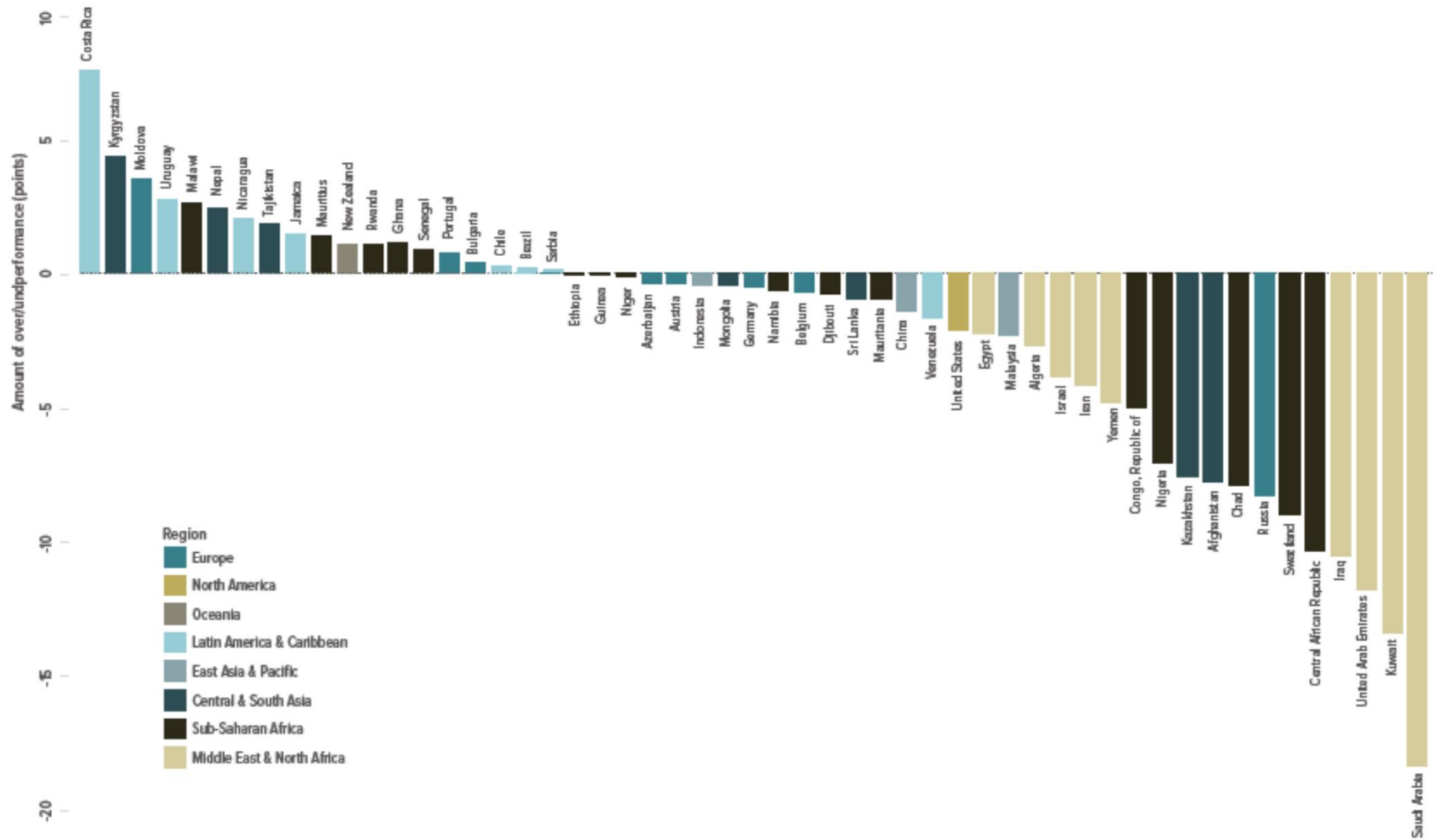


Figure 3.8 / Over-performers and Under-performers on Social Progress





## Performance in Comparison



Elements are highlighted where this country possesses a **relative weakness** or a **relative strength** compared to countries of similar GDP per capita: Cyprus; Czech Republic; Estonia; Finland; France; Iceland; Israel; Italy; Japan; Korea, Republic of; Portugal; Slovakia; Slovenia; Spain; United Kingdom

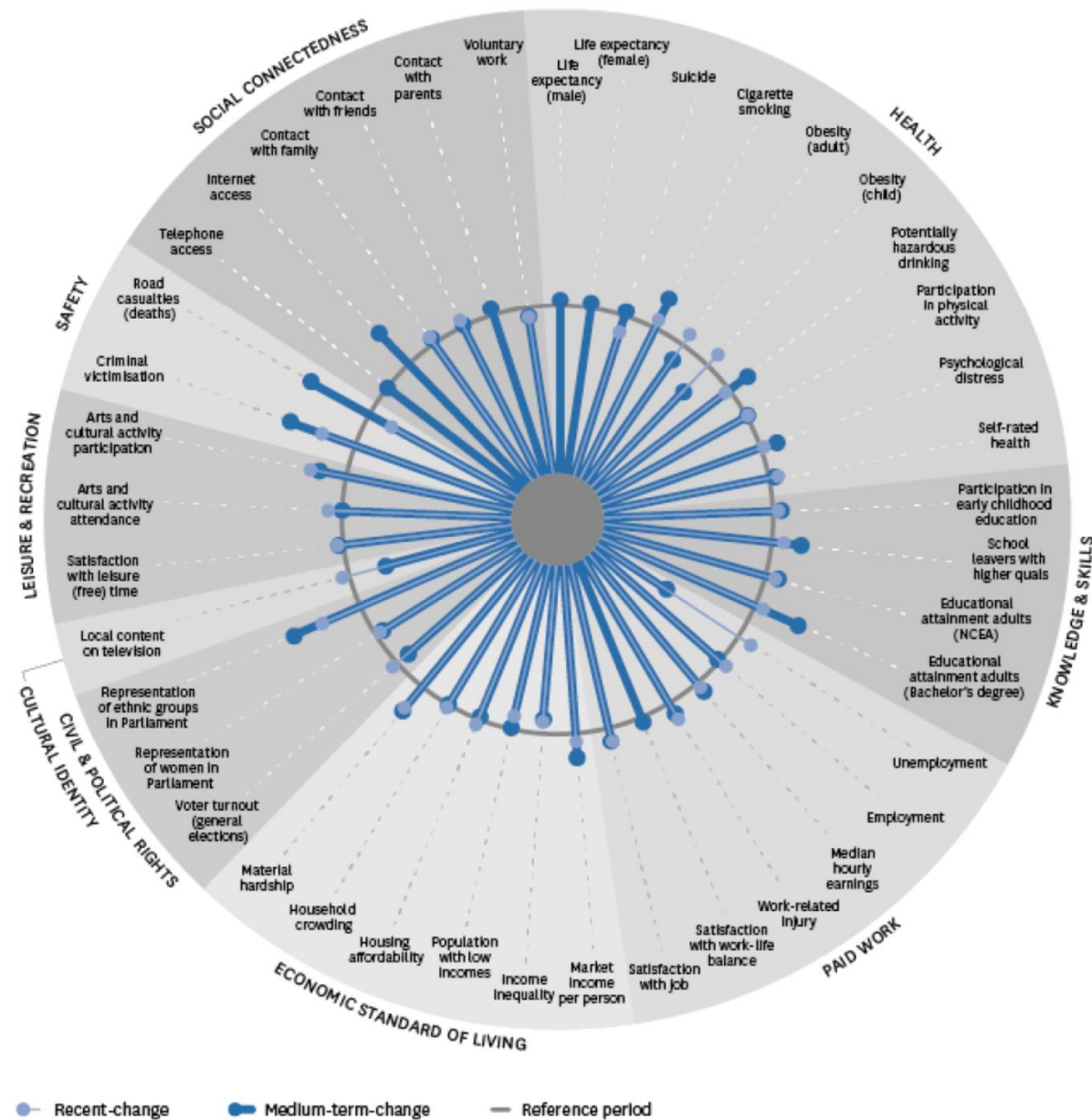


# **SOCIAL PROGRESS**

# NZ Social Wellbeing Domains

- “ Health
- “ Knowledge and Skills
- “ Paid Work
- “ Economic Standard of Living
- “ Civil and Political Rights
- “ Cultural Identity
- “ Leisure and Recreation
- “ Safety
- “ Social Connectedness
- “ Life Satisfaction

Figure SU1.1 – Recent-change and medium-term-change for social wellbeing outcomes for selected indicators





## Key Success Factors - History

- “ Immigrants brought institutional knowledge and broader human capital
- “ They then attracted direct investment
- “ Initial high income then enabled us to build even stronger institutions
- “ The initial high performance of our institutions meant that we gained a social norm of high performance
- “ Our initial ethnic mix came from countries that valued high performing social institutions
- “ Reasonable homogeneous (bi-cultural) society with increasing emphasis on social cohesion

## Key Lessons

- “ Starting point – history is critical
- “ Institutions are critical
- “ Culture is critical
- “ Values are critical
- “ Adaptability is critical

## Key Challenges

- “ From bi-cultural to multi-cultural society
- “ “Wicked problems” all require cross-Agency collaboration and delivery
- “ Current institutional settings need to be changed to meet this challenge

# Key Opportunities + Current Policy Focus

- “ Data
- “ Analytics
- “ Investment Approach

# **Investment Approach**



# Comparing the Better Life Initiative to NZ Treasury 'Living Standards Framework'

## OECD well-being dimensions

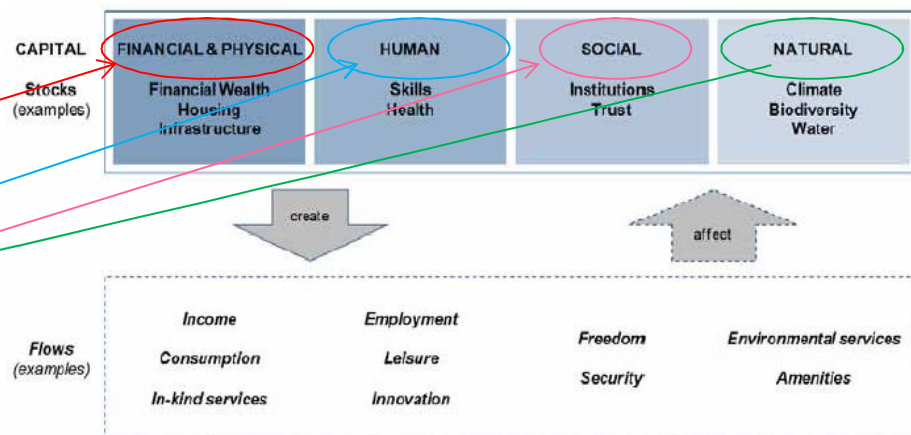
### Individual well-being

-  Income and wealth
-  Jobs and earnings
-  Housing
-  Health status
-  Work and life balance
-  Education and skills
-  Social connections
-  Civic engagement and governance
-  Environmental quality
-  Personal security
-  Subjective well-being

## NZL Treasury's Indicators for Measuring Living Standards

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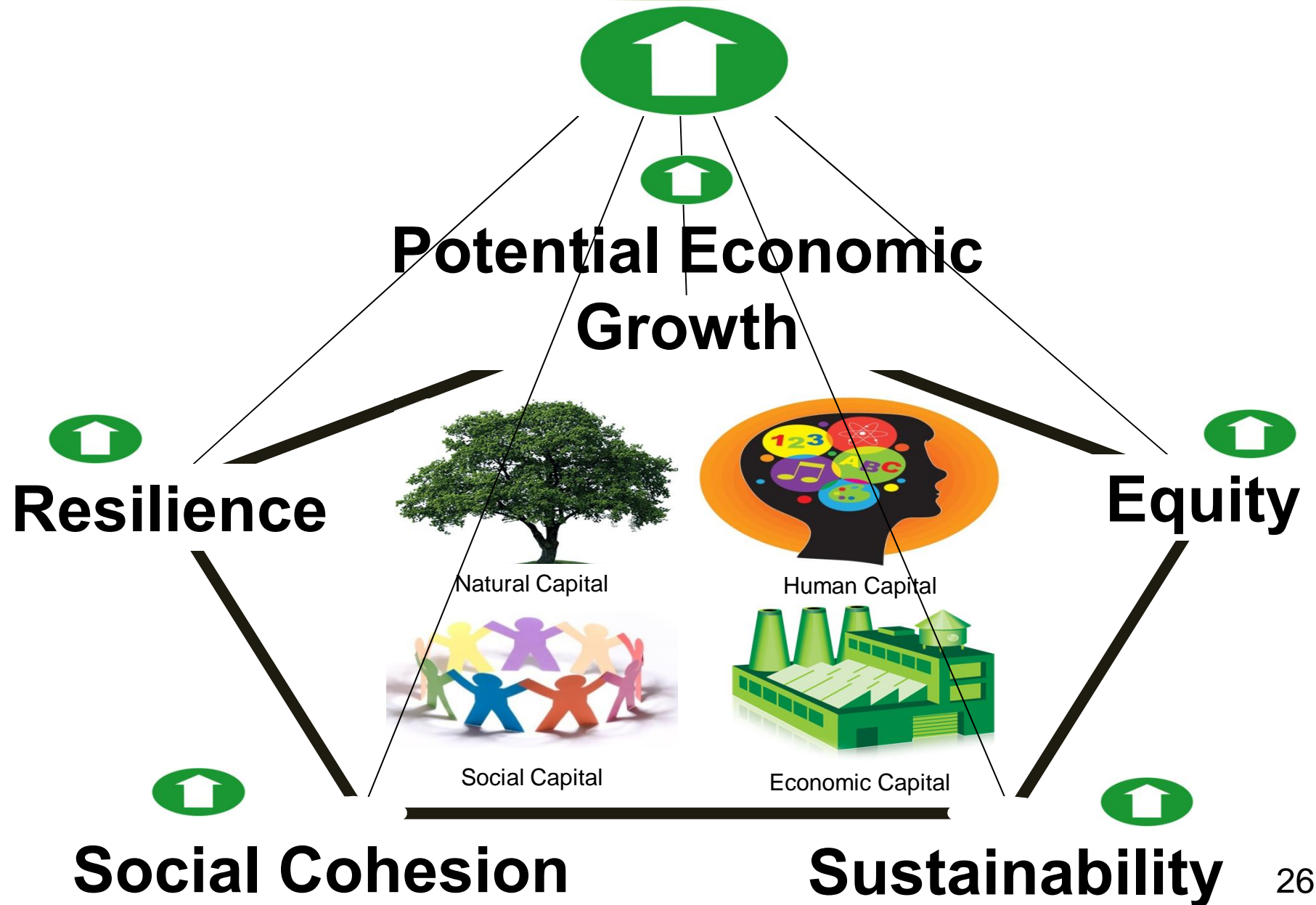
## Treasury's Living Standards Framework



## Sustainability of well-being over time

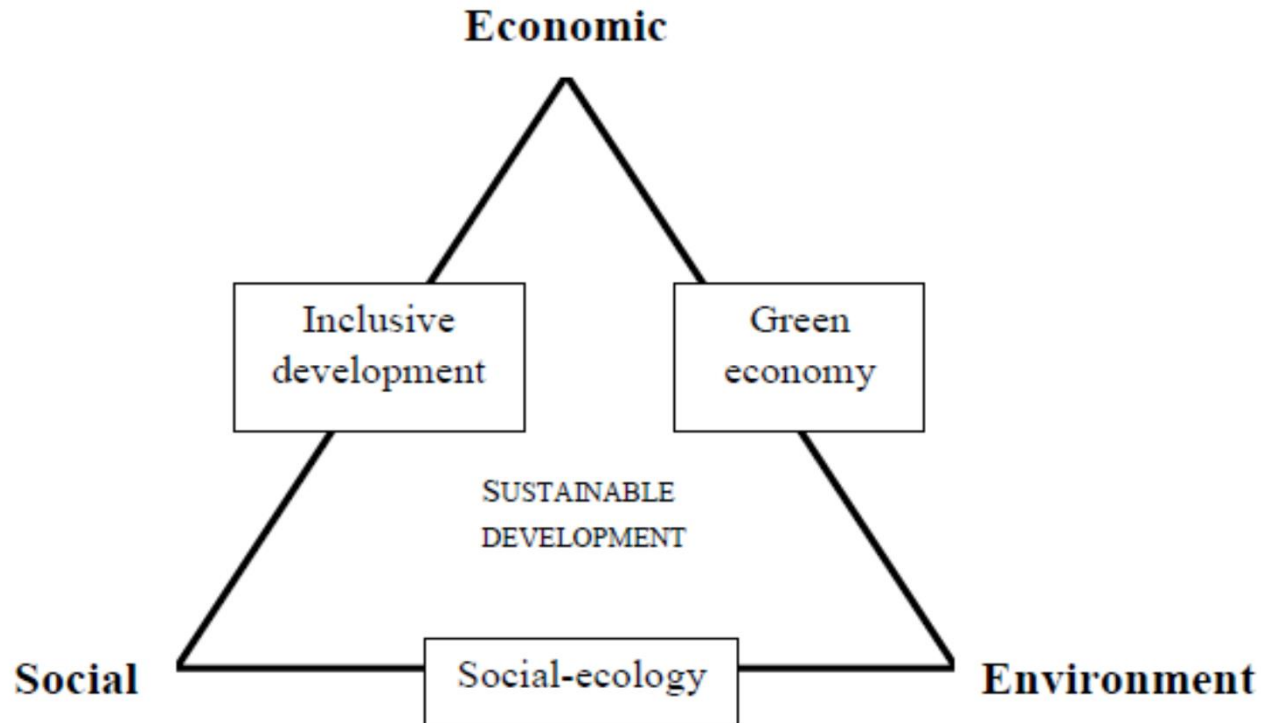


# Intergenerational Wellbeing

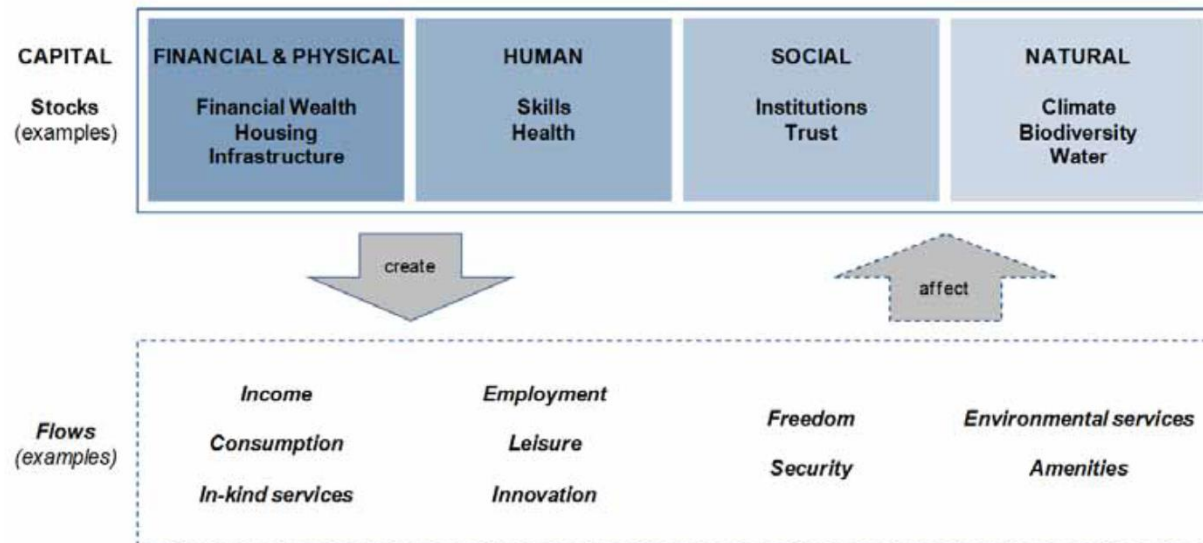


## **Sustainable Increase in Wellbeing requires an Integrated Approach to Environmental, Social and Economic to Policy**

Figure 1: the three linkages of sustainable development



# Investment Approach



Higher Living Standards  
· the outcome for  
investment approach

Key shift: broadening our  
perspectives beyond fiscal  
impacts and cost control.

Should be able to give  
investment advice on  
building the capital stocks  
that takes account of the full  
range of government levers,  
and community or societal  
impacts.

# Constructing Net Genuine Savings

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TABLE D.1  
National Saving Flows for 2008

Economy/Group	Gross National Savings	Consumption of Fixed Capital	Net National Savings	Education Expenditure	Energy Depletion	Mineral Depletion	Net Forest Depletion	CO <sub>2</sub> Damage	PM Damage	Adjusted Net Savings
Afghanistan	–	7.0	–	–	0	0	3.4	0.1	0.2	–
Albania	18.0	10.1	7.9	2.8	1.7	0	0	0.3	0.2	8.5
Algeria	58.8	10.9	47.9	4.5	29.9	0.2	0.1	0.6	0.2	21.4
Andorra	–	–	–	2.2	–	–	–	–	–	–
Angola	24.1	12.9	11.2	2.3	54.6	0	0	0.2	1.3	–42.6
Antigua and Barbuda	47.8	13.1	34.7	1.6	0	0	–	0.3	–	–
Argentina	25.5	11.8	13.8	4.5	8.6	0.4	0	0.5	1.1	7.7
Armenia	28.1	10.0	18.1	2.2	0	0.8	0	0.3	1.2	18.1
Aruba	–	–	–	4.3	–	–	–	–	–	–
Australia	32.9	14.7	18.1	5.1	4.1	3.8	0	0.3	..	15.0
Austria	27.2	14.3	12.9	5.3	0.2	..	..	0.1	0.1	17.6
Azerbaijan	63.0	12.3	50.7	2.0	51.4	0	..	1.2	0.3	–0.1
Bahamas, The	–	–	–	3.8	–	–	–	–	–	–
Bahrain	45.4	6.7	38.7	4.4	26.4	0	0	0.8	0.2	15.6
Bangladesh	33.9	6.8	27.1	2.0	4.0	0	0.6	0.4	0.4	23.7
Barbados	–	–	–	6.4	–	–	–	–	..	–
Belarus	28.4	11.2	17.2	4.9	1.3	0	0	1.1	0	19.8
Belgium	–	13.9	–	5.8	0	0	..	0.2	0.1	–
Belize	15.7	11.9	3.8	5.6	0	0	0	0.5	0	8.8



**Table A1.** Genuine Saving Rates by Country, Including Current Education Expenditures  
(% of GNP)

	<i>Average 1970s</i>	<i>Average 1980s</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>
Australia	11.8%	7.5%	6.1%	6.9%	7.2%	5.5%
Austria	18.3%	13.4%	18.8%	20.2%	19.2%	16.2%
Belgium	17.9%	9.3%	18.3%	15.6%	15.9%	16.7%
Canada	16.1%	9.8%	10.3%	6.7%	6.2%	7.4%
Denmark	16.0%	8.4%	17.4%	14.9%	15.5%	14.2%
Finland	15.4%	13.9%	18.5%	9.4%	7.0%	5.5%
France	19.3%	12.8%	18.6%	16.0%	15.4%	13.5%
Germany	..	..	..	11.1%	10.8%	10.0%
Germany, Former FRG	19.9%	13.5%	14.3%	15.0%	13.8%	12.2%
Greece	15.8%	4.6%	7.6%	9.1%	8.0%	8.0%
Ireland	9.5%	9.3%	15.9%	18.5%	16.9%	17.4%
Italy	17.3%	13.3%	16.9%	12.9%	11.8%	12.3%
Japan	26.5%	21.7%	31.2%	28.7%	28.3%	26.2%
Luxembourg	10.1%	9.7%	15.8%	14.6%	12.8%	13.9%
Netherlands	21.0%	13.8%	20.8%	17.8%	16.9%	15.6%
New Zealand	16.3%	9.2%	9.1%	7.4%	9.7%	13.6%
Norway	14.5%	8.7%	11.1%	15.6%	14.2%	7.0%
Portugal	15.2%	12.6%	23.4%	19.7%	20.4%	18.1%
Spain	16.2%	11.0%	18.8%	14.3%	12.5%	12.3%
Sweden	18.3%	12.1%	16.1%	10.8%	7.5%	5.6%
Switzerland	17.1%	19.1%	25.7%	24.0%	22.0%	19.9%
Turkey	16.3%	12.3%	18.9%	13.1%	11.9%	15.4%
United Kingdom	11.0%	8.4%	11.4%	7.0%	6.7%	6.6%
United States	11.0%	9.0%	8.2%	8.8%	8.3%	9.6%

# Ideal Process

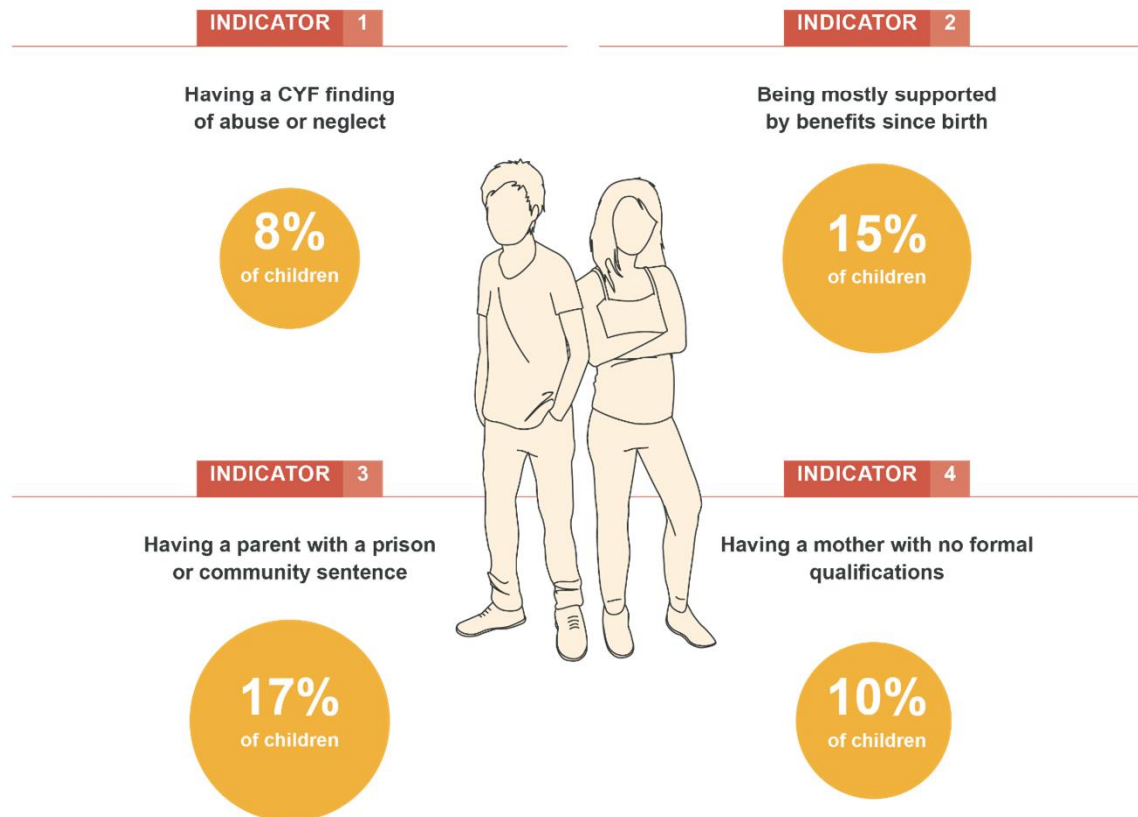
- “ Main focus is on investing towards sustainable wellbeing.
- “ What should we be investing in?
- “ What works – integrated electronic database on what is working across the world and in different communities?
- “ Randomised control trials (and other methods) to test if “what works” is actually working.
- “ Implementation through contracting for outcomes, using a selection of delivery mechanisms – involving communities in the process.



# Social Investments Insights

## Four key indicators of high risk - Children aged 0 to 14

Using information collected by government agencies we can identify four indicators that are associated with having poor outcomes later in life. These are:



Although these four indicators are associated with poor future outcomes, they may not cause poor outcomes directly. Instead they may be linked to other things that lead to poor outcomes.

The analysis and online tool have been made possible through Statistics NZ's Integrated Data Service. Through the collection of data from across the public sector (such as health, education and justice), Statistics NZ are enabling the analysis and understanding needed to improve social and economic outcomes for New Zealanders.

# Social investment in practice

