



Submission

New Zealand Treasury
Discussion Paper 19/02 - Culture, Wellbeing and the
Living Standards Framework

November 2019

A: Purpose

The purpose of *Discussion Paper 19/02 - Culture, Wellbeing, and the Living Standards Framework: A Perspective* is very specific: to analyse culture and wellbeing in the context of the Living Standards Framework.

B: Process

This is an important area of study. The discussion paper deserves a detailed response, but the Institute does not have the time to look at the academic literature or to discuss our ideas with experts in this area. Given our current work programme, this will not be possible in 2019. Instead, the Institute has decided to make a few high-level comments in response to this discussion paper and to share our thoughts on the role of culture in a global context.

C: Role of culture in a global context

Before making a few high-level comments in response to the discussion paper, it seems appropriate to put forward our thinking on how culture resonates in everything we as humans say, think and do. This is best explained in terms of the image we selected on the front page of this submission – food.

In 2013, we interviewed Rik Athorne, Senior Creative Business Director at Weta Workshop for the *TalentNZ Journal*. He explained that when Weta Workshop designed a new world, the starting point was always to consider what the characters would eat. What they ate determined how they ate – such as with their hands or their mouths. How they ate then determined their environment – how they hunted, their physique, and how their environment might sustain them (or not). Then it would be time to consider who their friends and/or enemies were and what traits or set of circumstances might cause the characters to succeed or fail. Food might be what brings friends together, such as collecting, processing or eating food (say in the form of a feast), or it might force enemies together to fight over land or resources. Understanding the role of culture through food, helps to illustrate how culture permeates everything.

Another common example is the ‘cradle to the grave’ (or in some case conception to the afterlife). Society, through culture, celebrates the journey of a person’s life but they often do this in different ways using different belief systems.

Culture helps to create an idea of what is ‘normal’: a set of protocols that make individuals and groups operate in a predetermined way. Whistleblowers go against that normal in a positive way, whereas people who hurt young children do so in a negative way. Culture and in particular the lack of it, creates a world without a normal and therefore delivers social unrest. Characteristics like empathy, respect, kindness and discipline help to create a safer and happier society.

This demonstrates the conundrum: If ‘culture capital’ permeates everything, can it also be identified, quantified and measured in isolation? If the answer is yes, what is the role of public policy?

A key question underlying the purpose of this discussion paper is ‘whether the LSF needs a separate capital stock termed ‘cultural capital’ (chapter 4 of the discussion paper). This is an important question that requires an answer. If ‘cultural capital’ is to be treated as a stock, it can only increase in terms of quality (not quantity). However, ‘quality’ requires a judgement and, as such, creates a risk in terms of who decides what is good and what is bad. This is the dilemma. For this reason we consider ‘cultural capital’ should not be treated as a separate stock term but

instead be embedded in to the existing four capitals (as illustrated in Figure 4.2 of the discussion paper).

D. High level observations

1. 'Cultural capital', in addition to the extent it permeates across the four capitals in the LSF, as a term it is very broad and is often used to mean different things. For this reason the term does not fit well with the Institute. For example, recent usage of this term in the UK positions it as an enabler to social mobility.^{1,2} There is also some concern over how it is being used in the education system in the UK³, see page 43 of the *UK School Inspection Handbook* (Nov 2019).⁴
2. We see culture as a key part of 'human capital' (in its individual form) and 'social capital' (when it relates to a group or a community).
3. If it is true that 'we manage what we measure' – then we need to measure the right things to indicate progress. We are concerned that some of the measures suggested in this paper focus on input and process factors, rather than output and outcomes factors. This creates the potential risk that we might end up measuring progress inappropriately. We wonder whether the He Tohu Section of the Canterbury Wellbeing Index is appropriate (Table 2.1 of the discussion paper).
4. Treasury's Māori Wellbeing Framework, which we looked at closely when it was established, is useful and could be discussed more in this paper.
5. Religion is not discussed and arguably is part of culture (or vice versa).
6. Despite appreciating the distinction between 'use value' and 'non-use value' in the discussion paper (page 27) and the draft value of culture framework (see Figure 5.1), we do not think it works as a stock. The distinction is useful, however.
7. An overarching observation is the importance of providing a framework that is easy to understand for stakeholders. This is one of the reasons why we consider the existing framework should only be tweaked in terms of interpretation and application rather than a new stock added. For example, we find statements such as the following (which can be found on the Treasury's website) confusing:

Our vision is focused on higher living standards for New Zealanders. Achieving this requires growing the country's human, social, natural, and financial/physical capitals ~~which together represent New Zealand's economic capital.~~ [strikethrough added].⁵

The use of the term 'economic capital' in this context could potentially create confusion. The difference between the above usage and its common financial meaning could be misleading. We believe the term 'economic capital' should not be used at all (see ~~strikethrough~~ above).

Thank you for all of your hard work. *Discussion Paper 19/02 - Culture, Wellbeing, and the Living Standards Framework: A Perspective* has certainly made the McGuinness Institute think more deeply about the role of culture in society. We are very happy to meet and discuss our comments in person.

¹ See <https://www.thoughtco.com/what-is-cultural-capital-do-i-have-it-3026374>

² See <https://study.com/academy/lesson/what-is-cultural-capital-definition-examples-theory.html>

³ See <https://culturalllearningalliance.org.uk/what-is-cultural-capital/>

⁴ See https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/843108/School_inspection_handbook_-_section_5.pdf

⁵ See <https://treasury.govt.nz/information-and-services/nz-economy/living-standards>