ABSTRACT

Distributional issues in well-being: a case study of New Zealand

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Well-being is now widely accepted as being multidimensional (OECD, 2017). New Zealand (NZ) Treasury mimics this notion and suggests that well-being indicates 'quality of life' and ways of facilitating individuals and society achieving a better life (McLeod, 2018). To achieve the goal of a 'better life for all', the NZ government has launched the first Well-being Budget worldwide in 2019 (Government of New Zealand, 2019). Still, there are some limitations in their framework. My research aims to address one of them, namely well-being inequality. By constructing a composite well-being index for a country that runs a Well-being Budget, this answers the following questions: i) which domains of well-being are most unequally distributed in NZ? ii) what are the determinants of well-being inequality? and iii) how does well-being inequality compare across gender, ethnicity, age, and geography in NZ? In this presentation, I will explain how Categorial Principal Component Analysis was used to construct NZ's first multidimensional well-being index. Additionally, I will discuss the current well-being distribution findings. The data used comes from NZ's General Social Survey spanning the period 2014 to 2018 which includes 24,618 individuals across NZ. Both ordinal and nominal variables are included in the well-being index. To measure the inequality in well-being we deconstruct the multidimensional well-being index for various groups to determine the well-being distribution pattern in NZ. The preliminary results indicate that civic engagement and governance, and income explained the most variance, whereas cultural identity and social connection explained the least variance. In addition, females, Māori, immigrants, and those outside of the Auckland region experience greater well-being inequality than their counterparts. These results suggest that policymakers should focus on policies that could increase public trust in the government and institutions, increase employment opportunities, and provide social support for those unable to enter the employment sector as full-time employees.

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