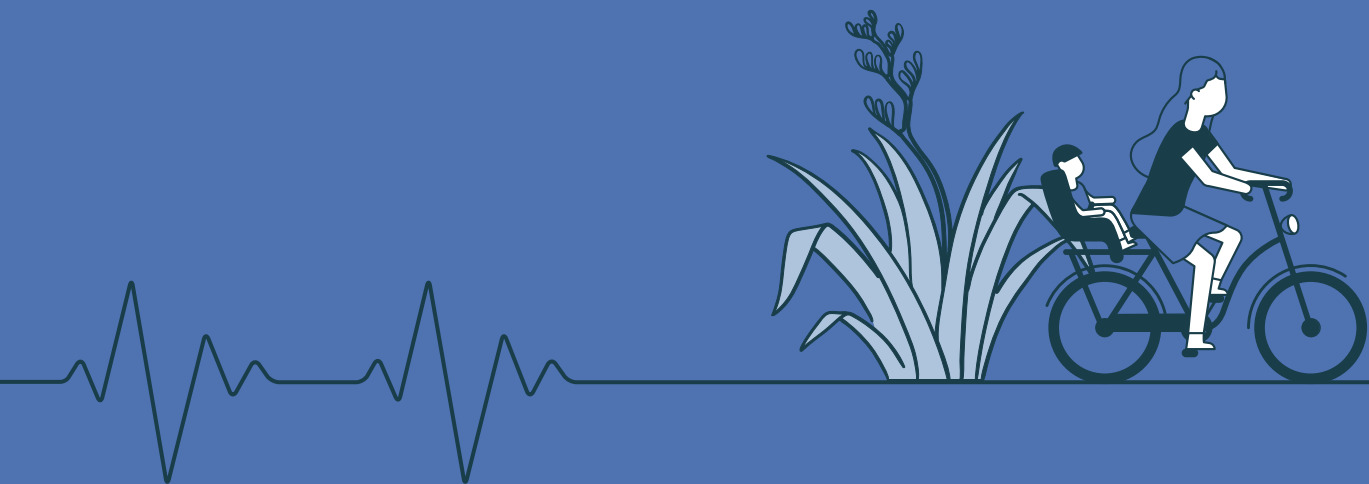


Economics, health and wellbeing:

Who's on board for the
paradigm shift?



Marilyn Waring
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Prepared for the Association of Salaried Medical Specialists | Toi Mata Hauora



About the author

Marilyn Waring CNZM is a New Zealand feminist, former politician, author, academic, and activist for female human rights and environmental issues.

She is best known for her 1988 book *If Women Counted*, and she obtained a D.Phil in political economy in 1989. Through her research and writing she is known as the principal founder of the discipline of feminist economics. Since 2006, Waring has been a Professor of Public Policy at the Institute of Public Policy at AUT in Auckland, New Zealand, focusing on governance and public policy, political economy, gender analysis, and human rights.

She has outspokenly criticised the concept of GDP, the economic measure that became a foundation of the United Nations System of National Accounts (UNSNA) following World War II. She criticises a system which 'counts oil spills and wars as contributors to economic growth, while child-rearing and housekeeping are deemed valueless'. Her work has influenced academics, government accounting in a number of countries, and United Nations policies.

Recently, Marilyn has been a member of the World Health Organization Council on the Economics of Health for All. The Council was established in 2020 by the WHO Director-General, to rethink how health and wellbeing are measured, produced and distributed across the economy.

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Foreword

In 2020, the World Health Organization (WHO) established the Council on the Economics of Health for All (the Council). When announcing the Council would be established, Dr Tedros Adhanom Ghebreyesus, the WHO Director General, issued a call to action that “we don’t just need more investment in public health. We must also rethink how we value health.”

The Council was chaired by Professor Mariana Mazzucatto and brought together ten experts across economics, finance, development, health policy and public health. The Council’s mission was to reimagine the relationship between economics and health. Its manifesto recognises health and the economy are interdependent and good health for all is essential for the resilience and stability of economies globally.

The line up of eminent thinkers on the Council included New Zealand’s very own Dame Marilyn Waring, known for her groundbreaking work critiquing measures like Gross Domestic Product (GDP), and the invisibility of women’s unpaid work

In this paper for the ASMS, Dame Marilyn critiques the limits of economics as a social science and explains how the true value of health fails to be accounted for in measures such as GDP. GDP as a measure does not include unpaid labour or consider planetary boundaries. GDP tells us nothing about poverty or inequitable wealth distribution, let alone health status. GDP is not a measure of wellbeing – despite the current Government claiming growth and getting the books back in order will be its contribution to the wellbeing of New Zealanders.

Dame Marilyn also questions the capability and capacity of New Zealand’s public service to properly understand and assess value for money, citing long-established problems with the public service’s ability to understand what it costs to deliver services and achieve outcomes, and how to assess efficacy, productivity or efficiency.

Nowhere is this more evident than in the recent release of the long-awaited (overdue) New Zealand Health Plan, issued with a “yeah, nah” assessment appended to it from the Auditor-General, highlighting it is a plan based on nothing, with no clear link between how the actions in the plan would improve the health of the population, or even what publicly funded health services will be delivered and what they will cost.

Dame Marilyn does highlight the New Zealand Treasury’s 2023 Living Standards Framework (the Framework) as a shining light, however. Developed over several years, the Framework is an analytical tool that includes the natural environment, social cohesion, and human capability in addition to financial and physical capital when conceptualising the wealth of Aotearoa New Zealand. In conceptualising individual and collective wellbeing, it includes indicators like health, culture, belonging, care and volunteering, leisure, and family and friends.

“ The economy is yielding poor, unequal health outcomes by design. Until we redesign it, we will continue to fall far short of Health for All. Health must be seen as a long-term investment, not a short-term cost.”



We all know that Aotearoa New Zealand's public health system is under immense pressure from sustained underfunding, an ageing population, the aftermath of COVID-19 and significant reforms, entrenched workforce shortages, and crumbling infrastructure.

Dame Marilyn goes on to share her experience as part of the WHO Council on the Economics of Health for All, and the discussions that took place and led to the Council concluding that "the economy is yielding poor, unequal health outcomes by design. Until we redesign it, we will continue to fall far short of Health for All. Health must be seen as a long-term investment, not a short-term cost." The paper describes a new paradigm, where health is an investment, and investing in health is not conditional on reducing debt and inflation or building reserves. A paradigm where cuts to long term investment for short term relief is recognised as bad fiscal policy.

We all know that Aotearoa New Zealand's public health system is under immense pressure from sustained underfunding, an ageing population, the aftermath of COVID-19 and significant reforms, entrenched workforce shortages, and crumbling infrastructure.

Facing these challenges head on so we can leave strong public health services for our children and grandchildren is going to require activists who can think differently and challenge the status quo.

So, as Dame Marilyn says, who's on board for the paradigm shift?

Sarah Dalton

Executive Director

Toi Mata Hauora

Association of Salaried Medical Specialists



Economics, Health and Wellbeing

This paper introduces economics as a social science, and one of the discipline's major features, the gross domestic product (GDP).

Measurement and the accounting treatment of health expenditures are described, along with return on investment, cost benefit, value for money and opportunity cost analyses. Alternate measurement approaches are introduced, now embraced by the Beyond GDP movement. I outline the considerable progress towards Aotearoa's wellbeing framework until the election of the 2023-2036 Coalition government. I conclude with major changes led by WHO towards a framework that delivers the economics of health for all.

Economics and social science

Economics is a social science. Social sciences explore how human beings 'construct' their complex worlds, and how different disciplines can contribute to an understanding of how and why humans behave as they do, understanding that this is constantly changing.

Economics is about 'efficiently allocating limited resources to meet our varied needs'. Economics' central pretension is that it is a clinical, detached, objective, empirical scientific process, devoid of political interests. The 'discipline' thinks it can abstract everything to figures, using positivist approaches, often littered with heroic proxies that are scarcely recognizable.

In my lifetime other social sciences, subject to critical thinking on power, indigeneity, feminism, language and concepts, geography, social construction and lived experiences, have been in constant movement, with economics a sluggish and reluctant outlier. When a discipline has established itself as powerful in public policy, with epistemologies, theories and methodologies that entrench that power in the powerful, why would it change? A striking example of this power entrenched is the measurement of gross domestic product (GDP).

What is growth, and the System of National Accounts

'Growth' is the term generally used to describe the amount of goods and services produced in an economy over a particular period, i.e. all market transactions. This calculation is called the gross domestic product (GDP). There are a series of rules – the United Nations System of National Accounts (UNSNA) – which govern how the GDP is constructed, and the same rules are imposed on all nation states. They were first written by five men in 1953, and have been revised in 1968, 1993, 2008 and 2025. They are encyclopaedic and generally written and revised by statisticians. This last point is very important: the economists who use the figures never need to read these rules or understand the ongoing major issues associated with much of the measurement. You can get a PhD in economics without ever reading the UNSNA.

The 1953 authors established a 'boundary of production'. The original UNSNA, and all revisions, leave all work women do in an unpaid capacity outside the production boundary as a matter of 'convenience'.¹ Diane Coyle wrote that 'the line was drawn partly for reasons of practicality'.² This has eliminated the majority of work on the planet from a system which boasts of its outstanding usefulness in public policy. Unpaid work of all kinds – voluntary and community work, unpaid productive and service work, reproductive work – is missing from the accounting framework.



“ We don’t just need more investment in public health. We must also rethink how we value health.”

The 1953 rules also left out the non-market activities of the planet and our eco systems except when being legally, and illegally, exploited /mined/ harvested/ deforested/ deleted/ depleted/ extracted– as the result was market exchange. Depleting natural resources while degrading eco-systems raises GDP. Prioritising short term monetary gains at the expense of long-term ecological stewardship raises GDP.³

Making war is great for growth, especially for the manufacturers of armaments, and pornography is a vast international industry, both legal and illegal. All illegal activity that passes through the market is also counted as part of the GDP: so, trafficking in people, weapons, illegal drugs, and endangered species all counts. This accounting framework has no debit side. Everything that has a market transaction is counted as growth.

GDP says nothing about the levels or distribution of poverty. GDP can grow while the numbers of those in poverty increases. The first two editions of the UNSNA boasted that their data was key to discovering the economic welfare of a nation state. The rules pulled back on that boast in 1993, acknowledging that per capita GDP was not a welfare indicator, and the 1993 UNSNA edition cemented the closed-circuit relationship between the UNSNA and employment.

Following the Global Economic Crisis in 2008, French President Sarkozy set up a Commission on the Measurement of Economic performance and Social Progress led by Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi.⁴ Its key message was that the time was ripe for our measurement system to shift emphasis from measuring economic production to measuring people’s wellbeing. The Stiglitz- Sen- Fitoussi Commission warned that conflating GDP and wellbeing ‘can lead to misleading indications about how well-off people are and entail the wrong policy decisions.’ They wrote that it was time ‘for our measurement system to shift emphasis from measuring economic production to measuring people’s welfare.’

Diane Coyle advised: “GDP’s shortcomings have become especially obvious recently in its failure to account for inequality. The aggregation of individual incomes or expenditures into GDP ignores distributional questions.”⁵ Australian economist John Quiggin is more expansive: “GDP should cease to be a preferred indicator of economic performance, and its use should be confined to its technical role in macroeconomic policy.”

A wide range of significant measurement issues in GDP figures are acknowledged by the UN Statistical Commission (see Appendix 1). These issues permeate the economic tools using this data.

How health is treated in the SNA and budget

WHO defines the health system broadly, as “all the activities whose primary purpose is to promote, restore or maintain health.”⁶ In New Zealand the largest industry for employment is the health care and social assistance sector at 10.4% of total employment at 292, 800 people. (2024, Stats NZ). Health NZ is the largest employer estimated at 80,000 of a predominantly female workforce.

But the health sector adds more than just the sum of the workers. Health facilities can be seen as ‘anchor institutions.’ The Ministry of Health has noted that in tough economic times workers in the sector

1 United Nations System of National Accounts (1953). United Nations, Studies in Methods, Series F, No.2, Para.19

2 Coyle Diane. Rethinking GDP. Finance & Development, March 2017, Vol. 54, No. 1

3 Robert N & Mullinix K. Beyond GDP: Lessons for Redefining Progress in Canadian Food System Policy. 21 January 2022. Sec. Science and Environmental Communication Volume 6 - 2021 | <https://doi.org/10.3389/fcomm.2021.762482>

4 Stiglitz, Joseph E, Amartya Sen, and Jean-Paul Fitoussi. Report by the Commission on the Measurement of Economic Performance and Social Progress. Paris, 2009.

5 Coyle, Diane: Rethinking GDP Finance & Development, March 2017, Vol. 54, No. 1. P.4.



“ GDP’s shortcomings have become especially obvious recently in its failure to account for inequality. The aggregation of individual incomes or expenditures into GDP ignores distributional questions.”

are economically and socially connected to the communities in which they are based and so act as economic stabilisers.⁷ They note: Employment in the health and disability sector tends to be less sensitive to cyclical fluctuations and has jobs in deprived areas and regions (if they can be staffed), creating multiple economic and social benefits that help to build social cohesion. This paid work can also reduce social exclusion at an individual and community level, where there is diversity in the workforce. While Māori and Pacific peoples remain under-represented in clinical roles, they have significant numbers employed in other sectors of this workforce.

But this data does not include the largest workforce in health: those caring for dependents in an unpaid capacity. The boundary of production excludes the largest sector of any nation’s economy. Most of that unpaid work is concerned with health care, whether of people or the environment. It may be simply the daily work of sanitation, cleaning, meal provision, monitoring health and safety in the home, or it may be a full-time unpaid occupation. The pathetic economic estimates of the market value of this work are degrading. Everything that would be done in a care institution for dependents must be done in the home but without the economies of scale. This adds a vast workforce to the economy of health provision and assists us to see how wrong the GDP data is.

Another of the false narratives of GDP is that the share of a nation’s GDP accounted for as health spending is an effective guide to whether the country is doing well in delivering health care. This is described as “a narrow inadequate metric for capturing the true, full value of health investments.”⁸

Health expenditure as a percentage of GDP doesn’t capture health outcomes or quality of care. A focus on consumption cannot capture the opportunity to minimize the period of dependency or disability an individual faces. It doesn’t reflect the efficiencies of health care spending. A focus on investment for outcomes can do this. The GDP equation also fails to account for the distribution of health care resources and access to care. GDP cannot capture the welfare benefits of good health.

In March 2016 the WHO High-Level Commission on Health Employment and Economic Growth wanted to shift the focus of health employment as ‘consumption’ to health employment as an ‘investment’.⁹ They demonstrated that the economic and fiscal objectives of finance-policymakers are actively promoted by health systems investment. Individuals in better health enjoy improved opportunities for economic participation (including through later retirement) and earnings compared to their less healthy counterparts.

The ‘growth’ economy has not accounted for pregnancy, birth, lactation, mothering – the essence of reproduction. There are no market equivalents for breast milk, no formula replacement is as healthy for an infant. This food production is an investment in health care and nutrition and nurture, as well as lifetime risk reduction in health and education. It does not require pollution (plastic) and does not make waste or contribute to carbon emissions heating our planet.¹⁰ We know the very best investment in a child’s future begins with a child breastfed for six months, as this makes such a difference for future health, brain development and attachment. But unpaid women do this ‘naturally’ and for free and so it is invisible in economic policy making. Since GDP operates in a closed circle with employment numbers, the imperative is not child health – it is to get mum into the market in paid work as soon as possible.

6 World Health Organization. The world health report 2000: health systems: improving performance. World Health Organization. Geneva, 2000.

7 Ministry of Health. The cost and value of employment in the health and disability sector. Ministry of Health. Wellington, 2020.

8 Fan VY, Bloom DE, Ogbuaji O, Prettnner K, Yamey G. Valuing health as development: going beyond gross domestic product. BMJ. 2018 Oct 23;363.

9 World Health Organization. High-Level Commission on Health Employment and Economic Growth. Geneva, World Health Organization, 2016.



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Economic Tools and flaws

Economics brings several tools to the table to assess how well policies might perform or are performing. All of these are used in the health sector. Return on investment (ROI) and cost benefit analyses (CBA) rely on economic data. Opportunity cost and value for money (VfM) analyses may be used. These approaches are treated by politicians and commentators as authoritative in public policy planning.

It is obvious to most that we don't need an econometric measure to understand that key public health interventions are substantially cost saving, as the ultimate return is in higher life expectancy or increase in wellbeing: vaccinations, health promotion interventions, falls prevention, and even legislative interventions such as the tax on tobacco. In New Zealand we live with public health budgets that do not keep pace with need, and we see postponement in infrastructure commitment or human resources investment. This political behaviour generates billions of dollars of additional costs to health services and changes the mix of spending – more to hospitals and less to preventative care and unmet health needs.

Within ROI the goal is to translate the benefits of an investment into a single quantitative measure expressed in monetary terms, directly compared with its cost. A major recent scoping study of ROI analyses of health interventions differed between those that only included fiscal savings (such as prevented medical expenses) and those which incorporated a wider range of benefits. However, the methodologies used in ROI calculations were inconsistent and often poorly reported, leading to a warning by the authors that ROI metrics should be carefully interpreted before they are used to inform policy decisions regarding the allocation of healthcare resources¹⁰ In ROI analyses there are a variety of non-fiscal benefits that could be included where only narrative can serve as an appropriate descriptor. But too often, economists reach for heroic abstracts and proxies, which both mask the reality, and simplify it beyond precision and usefulness.

ROI analysis is closely related to cost-benefit analysis. Both aim to compare the costs and benefits of health interventions into a single quantitative measure in monetary terms. There is a particular form of ROI analysis known as social return on investment (SROI). Its framework goes beyond traditional health economic methods and considers the value produced for multiple stakeholders in three dimensions of development: economic, social, and environmental. In Aotearoa you would want to add a cultural dimension. Many of the broad benefits included within these SROI studies can be difficult to monetise, and some cannot be encompassed because they are not time limited. Many economists just leave these out, and many politicians do not want to know about complexities.

The New Zealand Treasury provides guidance for the construction of CBAs¹² The 'identify, quantify, monetise'

10 Smith JP. "Lost milk?": Counting the economic value of breast milk in gross domestic product. J Hum Lact. 2013 Nov;29(4):537–46.

11 Turner HC, Hori Y, Revill P, et al. Analyses of the return on investment of public health interventions: a scoping review and recommendations for future studies. BMJ Glob Health. 2023;8.



(IQM) approach calls for the use of the Living Standards Framework (LSF), and He Ara Waiora. It allows consideration of non-monetised elements and says non quantified impacts should be reported. There is no evidence that Treasury's guidance in this is consistently followed.

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12 The Treasury. CBax Tool User Guidance. The Treasury. Wellington, 2024. <https://www.treasury.govt.nz/sites/default/files/2024-10/cbax-tool-user-guidance-oct24.pdf>



Since I was a young politician chairing the Finance and Expenditure Committee of the New Zealand parliament, the Audit Office has been concerned with Value for Money (VfM). More than 40 years later, there seems to be no improvement in competence to do this well. One report describes:

To be able to demonstrate VfM, public organisations need to do two things. First, they need to understand the costs and cost drivers in their organisation, and how these affect the delivery and sustainability of services and the achievement of outcomes. Secondly, this information needs integrating into planning, reporting, and accountability processes.¹³ We often see a lack of appropriate processes and information for identifying and demonstrating VfM, including:

- issues with understanding the cost to deliver services, impacts, or outcomes.
- a lack of clarity in describing and evaluating effectiveness.
- little analysis of VfM or related measures, such as cost effectiveness or productivity.
- a lack of efficiency measures; and
- incomplete, frequently changing, or complicated performance measures more generally.

Critically, the report explains: “The term ‘value’ can be expressed quantitatively or qualitatively. It can also relate to outcomes or objectives, or to services or outputs. There can be cultural, social, or environmental value as well as economic or monetary value.” The Office is extremely critical of NZ organisations – “most do not have a clear plan or assessment approach. They need to get the basics right.”

The Audit Office has made VfM a key strategic priority for 2024–2025 – how is VfM defined, assessed, reported on and scrutinised. I expect they will find most agencies do not pass considered rigorous scrutiny of any of these procedures. This is a decades-long, on-going capacity and capability problem in the NZ public service. Does New Zealand have coherent institutions with public servants with relevant expertise in their roles? Can they perform all policy functions? Can they adapt to rapid change and complexity? Do they exhibit dynamic capability for change?¹⁴

Another tool available is to measure opportunity costs. This means measuring the outcomes and costs of the alternative policy, the one you didn’t choose to pursue. In 2019 the NZ Medical Journal reported that over 1.5 million adults had a cost-related unmet need for dental care. The figures are worse for people on low incomes, Māori and Pacific peoples and people with disabilities¹⁵ For years Rob Beaglehole has reminded us that dental decay is a socio-economic disease. Forty percent of adults can’t afford dental care. The number of practicing dentists and dental specialists has dropped.

13 Ryan, J. Value for Money: a simply complex problem. Office of the Auditor General, Wellington, 2024. <https://oag.parliament.nz/2024/value-for-money>

14 WHO Council on the Economics of Health for All. Strengthening public sector capacity, budgets and dynamic capabilities towards Health for All – Council Brief No 4. World Health Organisation. Geneva, 2022.

15 Gauld R, Atmore C, Baxter J, Crampton P, Stokes T. The ‘elephants in the room’ for New Zealand’s health system in its 80th anniversary year: general practice charges and ownership models. N Z Med J. 2019 Feb 1;132(1489).



Using the NZ Treasury CABx model, and choosing the conservative option for each component, the Frank Group's work for Action Station found the current settings for adult oral health were social costs of \$6 billion per year, fiscal costs of at least \$35 million per year, and economic costs of at least \$200 million.¹⁶ The findings suggest that universal free dental care is the needed policy response.

Radio NZ reported recently that children were waiting up to a year for dental surgery to treat advanced tooth decay.¹⁷ There were about 5000 children on waiting lists for dental treatment, all needing general anaesthetic. The lack of access to community services drives the demand for hospital treatment, even though the treatment is free. Dental disease has become the leading cause of hospital admission for children. We don't need an economist to know that oral health at age 5 predicts the oral health of a person at 26. New Zealand's level of sugar consumption per capita is one of the highest in the OECD. There is growing evidence of poor dental health leading to heart disease and diabetes. A sugar tax in the UK led to a 30g reduction in the amount of sugar consumed in households each week. There is no excuse for not having a similar tax in New Zealand, tied to paying for dental treatment.

In another opportunity cost example, Auckland University Associate Professor George Laking, joined other public health and legal experts criticising the Regulatory Standards Bill as allowing tobacco, alcohol industries or environmental polluters to seek compensation, if future legislation costs them profit. "The definition of 'liberty' begs the question of whose liberty – the ability to pollute the environment, to get people hooked on addictive substances, that's one side of the liberty coin ... The pursuit of short-term economic gain is not necessarily the recipe for an harmonious society."¹⁸

The economic decisions that have delayed bowel screening for Māori and Pacific peoples from 50 to 58 is another example. Sir Collin Tukuitonga has labelled this 'unsophisticated and deeply flawed.' Minister Brown has dismantled a data driven evidence-based policy where genetics and ethnicity are major factors. In this Coalition Government's mono cultural economics paradigm, cultural research and understanding tikanga Māori are not related to clinical safety or part of an opportunity cost analysis.

A similar attitude – obviously not subject to a Treasury CBAX analysis – reigned in the decision to close off free flu vaccinations for under 12-year-olds, and for Māori and Pacific adults aged 55-64.¹⁹

Alternatives to GDP

In 1990 environmental economist Herman Daly and theologian John Cobb proposed the Index of Sustainable Economic Welfare (ISEW). They were particularly concerned to see that the costs to the environment in generating economic growth were registered as deficits or depletions, not as 'goods' or 'benefits' in production and consumption. They identified costs including commuting, automobile accidents, water, air and noise pollution, losses of wetlands and farmland, depletion of non-renewable resources, long-term environmental damage and ozone depletion. What is needed, they said, 'is a new measure' to replace GDP.²⁰

Genuine Progress Indicators followed the ISEW. The GPI Atlantic followed the cod fisheries moratorium in Nova Scotia to demonstrate that well-being was not dependent on GDP for the region and community. Central and provincial government provided secure funding for the work. As a result, some major forward steps were taken. The GPI accounts had a deficit side, and the work recognised the problem of using proxies that bore little or no relationship to some values. Historic forest remnants were not 'what these could realise in the market.' GPI Atlantic thus introduced narrative to explain and describe the natural characteristics of the focus of the accounts, especially when there was no common-sense proxy.

16 Frank Advice. The social, economic, and fiscal costs of the current settings for adult oral health. ActionStation 2024 <https://www.dentalforall.nz/research>

17 Akoorie, Natalie. 'It's heartbreaking to see the level of decay' – children waiting months for surgery. Radio New Zealand. June 16, 2025

18 Radio New Zealand. Regulatory Standards Bill will stop lawmakers considering broader public health, warns cancer specialist. Radio New Zealand .15 June 2025.

19 Fenton E, Willing E, Moerenhout T. Changes to free flu vaccine eligibility are a missed opportunity to close NZ's health equity gap. The Conversation, April 4 2024.

20 Daly Herman and Cobb John. For the Common Good – Redirecting the Economy Toward Community, the Environment, and a Sustainable Future. Beacon Press Boston, 1990, p. 378



“ The definition of ‘liberty’ begs the question of whose liberty – the ability to pollute the environment, to get people hooked on addictive substances, that’s one side of the liberty coin ... The pursuit of short-term economic gain is not necessarily the recipe for an harmonious society.”

Mark Anielski established a GPI for the province of Alberta in Canada, introducing the radar diagram to visualise the GPI. Indicators are measured in their integrity (various pollutant measures of air and water for example) against best and worst years, without conversion to some market equivalent. This approach is also attractive as it has open architecture, and any new measurement can be introduced as soon as there are two comparative years. Trade-offs are readily apparent. This visual approach is easily understood by people, and it democratises the conversation. The community can participate in the public policy debate.

Finland, Norway, the Netherlands, Chile, Sweden and Australia have produced GPIs. Maryland, Washington, Hawai’i and Vermont have officially adopted this approach. I worked with academic experts in Chengdu to assist the construction of GPIs in 10 cities in China. Kate Raworth’s doughnut economics approach is used in communities and cities internationally as a planning tool. The UK now has a Measures of National Wellbeing Framework; the OECD has had its Living Standards programme since 2011. *Measuring what matters: towards a quality of life strategy for Canada* was published by the Department of Finance in 2021, while Statistics Canada published *Moving forwards on wellbeing (quality of life) measures in Canada*. Note the omission of the concept of ‘living standards’ from this approach.

There is overwhelming acknowledgement that economic growth is an outdated indicator which cannot account for sustainability, inclusion and wellbeing. In 2025 the UN Secretary General appointed an expert advisory group on *Beyond GDP* with an aim to redefine how we measure progress with people, not the economy, at the centre.²¹ The Beyond GDP movement refers to GDP’s ‘contemporary misuse’, as GDP obscures important dimensions of wellbeing, incentivises profits over long term prosperity, and skews decision making and policy development.

Jansen et al believe Beyond GDP measurement should include 3 dimensions: ‘wellbeing, inclusion and sustainability’. It should have country specific indicators,²² that is, the primary importance of measurements should be the public policy requirements for Aotearoa, not a system easily compared with other nation states. A UN publication calls for three similar outcome elements: wellbeing and agency; respect for life and the planet; and reduced inequalities and greater solidarity.²³

The ideology and practice of the UNSNA has been a major contributor to the environmental devastation of our planet. GDP’s focus on production is inexhaustibly destructive of living environments. Many of the calls to replace increasing GDP with the goal of improving human wellbeing link to sustainability within planetary boundaries. ‘The idea that technology grows exponentially and at a rate sufficient to offset the drag from resource depletion, allows growth to continue without limit. Above a certain level of GDP, the costs of growth – congestion, pollution, mental health, – off set its wellbeing benefits.’²⁴

Quantification can miss qualitative, ambiguous, and context specific elements – Beyond growth research needs an interdisciplinary tool kit to make judgements across a range of indicators, preferably as many relevant indicators as are available, supported by narrative where metrics are not appropriate.

21 UN Department of Global Communications. UN Secretary-General appoints high-level expert group on Beyond GDP. May 9, 2025.

22 Jansen et al. Beyond GDP: a review and conceptual framework for measuring sustainable and inclusive wellbeing. The Lancet Planetary Health, Volume 8, Issue 9, September 2024.

23 UN System Chief Executives Board for Coordination. Valuing what Counts. UNCEB, 2022.

24 Kallis, Giorgos et al. Post-growth: the science of wellbeing within planetary boundaries. The Lancet Planetary Health, Volume 9, Issue 1. 2025.



New Zealand's Preparation for Wellbeing

New Zealand's first time use survey was conducted in 1998 – 1999 and the second was in 2009–2010. The surveys were an item in the coalition agreement between the National and New Zealand First in 1996 and was a policy NZ First brought to the agreement. Led by Chief Statistician Len Cook, NZ's time use surveys were the best in the world. Cook also introduced them in the UK when he became Chief Statistician there. The UK still conducts them.

Time use data provides a measure of the interdependence of the activities of household members, and of how paid work, caring work, housework, community work, leisure, and time spent on personal care are interrelated. This is vital for understanding how the impact of paid labour force participation of women leads to growth in market activity to replace formerly unpaid activity in the home, or alternatively, how the devolution of government services of care to the 'community' mean an increase in unpaid activity by invisible workers. When a recession hits or there is a cut in government spending, the unpaid workers step up to add to their loads. Without time use surveys, evidence of this effect is lost.

Chief Statisticians who led time use initiatives encountered resistance from many of their peers. Of special note were the nay-sayers who were upset at the prospect of measuring simultaneous activities. Most women insisted they did more than one task at a time. And if statisticians counted all these activities, the minutes of work would add up to more minutes than there were in a day. And we couldn't have that. New Zealand added up all the minutes because a policy imperative was to understand time poverty.

Te Kupenga

The Māori wellbeing survey was conducted by Stats NZ in 2013 and 2018.²⁵ It embraced well-being as holistic and including physical, mental, spiritual, whanau and environmental health. The survey was designed by Māori for Māori and was able to be linked to the NZ Social Survey. Te Kupenga was a significant addition to the conceptual framework of what well-being meant and was recognised as building on Te Whare Tapa Whā created by Sir Mason Durie in 1984.²⁶

Treasury's He Ara Waiora

He Ara Waiora, an holistic concept of Māori wellbeing, was developed by the Tax Working Group in 2020, and contains tools to use for each stage of the policy process. It mirrors many of the principles in Te Kupenga: for example, whanaungatanga (strong kinship relationships) and tiakitanga (stewardship of the natural environment).

He Ara Waiora did influence the development of Treasury's Living Standards Framework.

Treasury's Living Standards Framework

Treasury drew directly on OECD work for the first Living Standards Framework (LSF) in 2018. This LSF was dreadful, and the subject of my book *Still Counting*.²⁷

This LSF was a Eurocentric mono cultural approach which still relied on the UNSNA paradigm. All parts of life were described as 'capital', and the focus was 'living standards' as opposed to a 'wellbeing' framework.

25 Statistics New Zealand. Te Kupenga: 2018. Statistics New Zealand. Wellington, November 2020.

26 The Fonofale Model for Pacific Peoples wellbeing is similar.

27 Waring, M. *Still Counting*. Bridget Williams Books. Wellington, 2018.



“ I needed to remind the group that women in labour did not produce ‘human capital’. They gave birth to children. That we needed to measure time use not to find out if employed men had enough work life balance, but to ensure the wellbeing of those women who did the most work every day in the multiple tasks they had in the paid and unpaid workforce.”

I was a member of the Treasury Challenge Group on the development of the framework from 2018. I needed to speak very frankly many times. For example, Treasury wanted to know more about the quantity, state and nature of ‘natural capital’ to identify the financial value.²⁸ So what would the treatment be of te awa Whanganui, te maunga Taranaki, Te Urewera, which have all been granted the status of a legal personality, in this monocultural framework? If anyone harms or abuses these iconic features, it is the same as harming the tribe. These legal personalities are not ‘capital’.

I needed to remind the group that women in labour did not produce ‘human capital’. They gave birth to children. That we needed to measure time use not to find out if employed men had enough work life balance, but to ensure the wellbeing of those women who did the most work every day in the multiple tasks they had in the paid and unpaid workforce. I advised that no woman (or migrant or gay or disabled person) I knew was going to say that automobile accidents and homicides were the key indicators of whether or not we felt safe.

Over 5 years there was exponential change in the concepts being addressed, an understanding that we were not talking about adding on some ‘satellite accounting’ to the SNA. We were working on a total paradigm shift towards a framework for policy making that reflected the lived realities of New Zealanders. From Treasury, an exceptional contribution to this work was Tim Hughes’ work on Culture, Children and wellbeing.²⁹

We can see the significant progress made by Treasury comparing the two Figures from 2018 and 2023. The changes are obvious immediately. The 2023 framework belongs to us: it cannot apply elsewhere. It prioritises all the best available national information. It is not dumbed down with only data that can be compared with another nation state. It has lost the colonising language of economics. We are no longer suffocated by ‘capitals’, but focus on the natural environment, social cohesion and human capability. ‘Capital’ remains only with economic and financial matters, the only sector the use of the word is relevant. There are key language changes which echo conceptual shifts: cultural capacity and belonging, care and volunteering, engagement and voice, environmental amenity.

The framework is embraced by culture. The indicators are our own, and not just the lowest common denominators of comparability. For example, New Zealand’s State of Environment reports include 53 indicators, such as annual glacier-ice volumes, highly erodible land, exotic land cover, ocean acidification, river water quality, air pollution, etc. The framework is not ‘finished’: a feature of wellbeing is that it is always evolving to reflect changing circumstances, but New Zealand has made a major conceptual and practical breakthrough.

29 Hughes, T. Towards a Living Standards Framework for all Aotearoa: Culture, children and wellbeing. The Treasury. Wellington, 2021.



Figure 1: The Treasury's Living Standard Framework

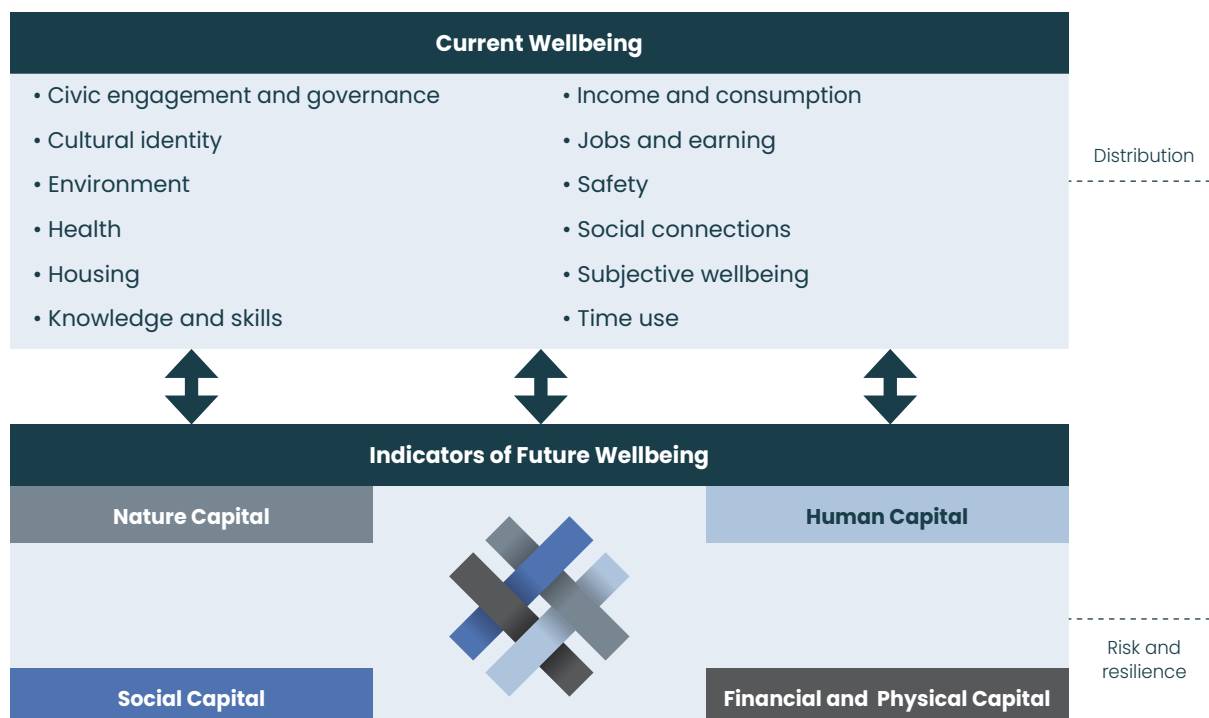
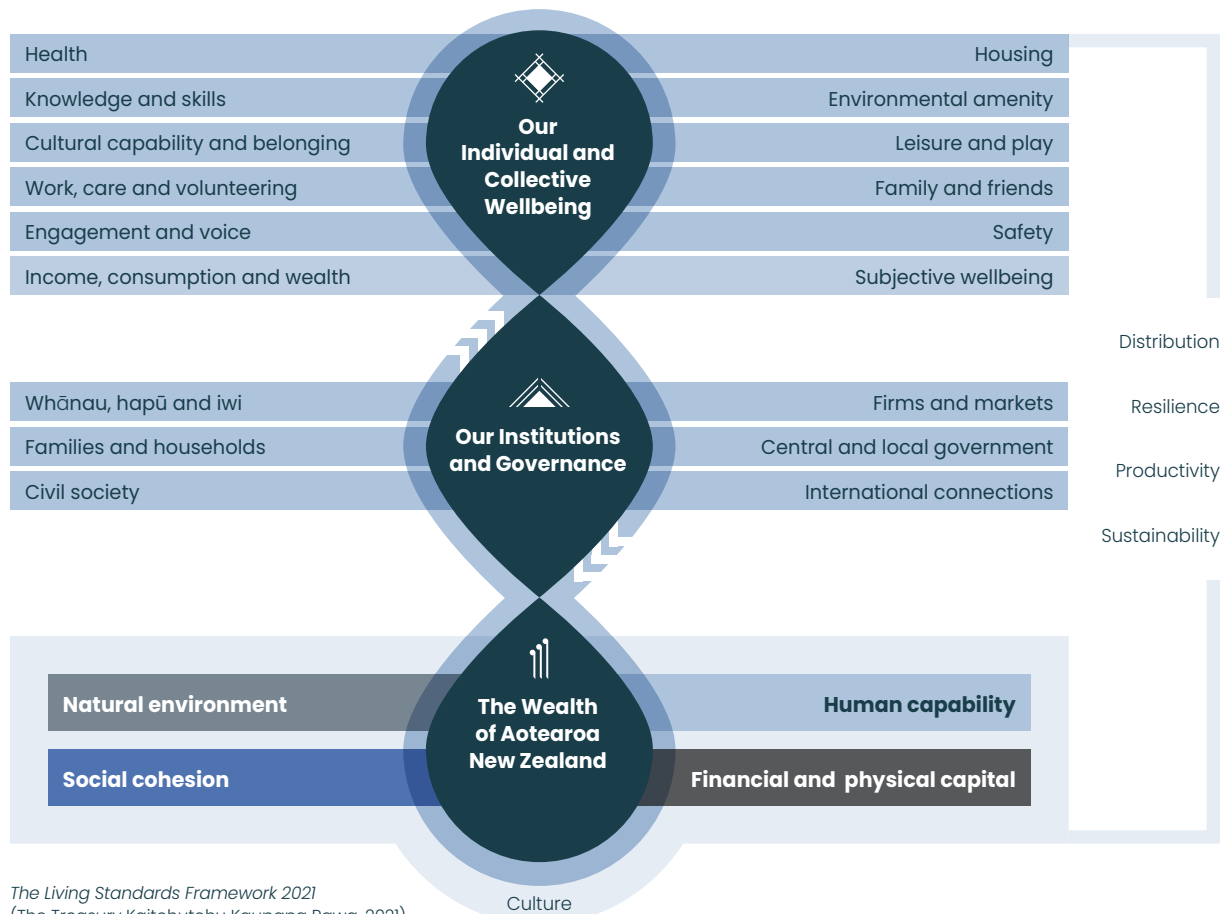


Figure 2: Treasury's Living Standard Framework 2023



The Living Standards Framework 2021
(The Treasury Kaitohutohu Kaupapa Rawa, 2021).

Travelling Backwards: The Coalition Government, Growth and Wellbeing

In 2025 New Zealand's Minister of Finance became the Minister for Economic Growth and delivered a 'growth' budget. Section 26KB of the Public Finance Act requires the Government to explain, in the fiscal strategy report, how wellbeing objectives have guided the Government's Budget decisions. In 2025 the Government's overarching goals followed the usual rhetoric – a stronger more productive economy, efficient effective public services, and books back in order, and then claimed, "these goals are also the government's well-being objectives ... Meeting these objectives is the most important contribution the Government can make to the long-term social, economic, environmental and cultural wellbeing of New Zealanders".

This epistemological lens is incredibly outdated, embarrassing, and just plain wrong as a basis for rigorous policy making. The largest economic sector, unpaid work, is ignored as outside this boundary, meaning that this central measurement is very far from recording the everyday reality of most people, and most economies.

Peer reviewed studies show that human relations have a much stronger effect on personal wellbeing than income.³⁰ We know this is lost on the Minister of Finance as she does not want reports that detail "whether lives have meaning and purpose".³¹ The "bright and talented minds of the Treasury" are obviously covered from pointing out to their Minister that a wide range of indicators of social outcomes show diminishing returns as GDP per person increases.³² 'Too complex' is how they describe the wellbeing approach in their advice to their Minister.

Policy decisions are complex. They call for judgement across a range of information, presented in integrity, not as abstract monetary proxies. Those well trained in the social sciences can deal with a large variety of data sets to make informed judgements on behalf of current and future generations. When Treasury reported that wellbeing data isn't driving policy, it's because there is a resistance to this paradigm shift. Wellbeing is not a satellite to the all-important GDP. GDP is just one element of the wellbeing framework and to measurement of financial and physical capital.

Some Treasury officials understood. There's a video on the Treasury website from March 2024 of Tim Ng making a presentation on the Living Standards Framework and value for money.³³ He said it helped Treasury to be clearer and more systematic, to focus on the fundamentals. He talked about how to use the LSF in policy situations looking at costs and benefits (quantifiable and non-quantifiable), distributional impacts of policy, considerations of equity, and helping with quality programme definition. Ng often references the need for judgement holistically across all dimensions for VfM. He then described the use of the LSF at the problem and opportunity definition and at the policy option evaluation stage in the policy cycle. But the 2025 Public Finance Amendment Bill removes the need for a wellbeing report as part of the annual budget, and we can expect that the LSF is no longer used because it's too complex.

The same result is expected with Treasury's He Ara Waiora Handbook. The Treasury website (updated September 2024) being in the early stages of piloting the framework. However, given the policies of the New Zealand Coalition government 2023–2026, with respect to ethnicity, I do not expect it is used.³⁴ The Cabinet circular of September 13, 2024, required central government offices to prioritise services based on need, not ethnicity. This appears to have acted as a reason not to use He Ara Waiora.

In 2025 in Aotearoa 'growth' is not an economic imperative, but it is a political imperative, locked in by power relations, institutions, and the SNA accounting framework.

30 Waldinger R, Schulz M. The good life and how to live it: lessons from the world's longest study on happiness Random House, 2025

31 Willis, N. Increased transparency for Government accounts. The Beehive. 26 May 2025.

32 Fanning AL, O'Neill DW. The wellbeing–consumption paradox: happiness, health, income, and carbon emissions in growing versus non-growing economies J Clean Prod. 2019; 212:810–821

33 Ng, Tim. Impact assessment, the Living Standards Framework and value for money. The Treasury. March 2024. https://www.youtube.com/watch?v=Cbm_faFBizQ

34 Cabinet Office. Circular – Needs-based Service Provision. Department of Prime Minister and Cabinet. 13 September 2024.



WHO Council on the Economics of Health for All

I worked recently on the WHO Council on the Economics of Health for All.³⁵ We described GDP as ‘a mistaken conventional wisdom’, a ‘social construct’ that has survived so long because it “conveniently serves the interests of the powerful”. GDP is a “fundamentally inappropriate measure of progress that perversely rewards profit generating activities that harm people and destroy eco systems,” and “a narrow inadequate metric for capturing the true, full value of health investments.”

Unfortunately, politicians who know little about economics, buy into these cliches and social constructs. We described political inertia, entrenched laws, regulations and processes, and ideological stubbornness with the “intellectual and institutional lock –in of GDP.” Too many politicians are too scared to exercise judgements across a range of indicators, too many economists cannot work with social science methods, and current power brokers feel threatened if something other than the market reigns. We concluded: “The economy is yielding poor, unequal health outcomes by design. Until we redesign it, we will continue to fall far short of Health for All. Health must be seen as a long-term investment, not a short-term cost.”³⁶

Words and concepts were extremely important in our work. At our first meeting we refused to treat health as ‘public goods’ (policing and defence are also public goods) and focused on health for the common good. Health for All meant:

- valuing planetary health, including essential common goods such as clean water, clean air and a stable climate, with respect to planetary and local ecological boundaries.
- valuing the diverse social foundations and activities that promote equity, including social cohesion, supporting people in need and enabling communities to thrive, and.
- valuing human health and well-being, with every person able to prosper physically, mentally and emotionally, and endowed with the capabilities and freedom needed to lead lives of dignity, opportunity and community.

The Council were working on the cusp of a new paradigm. We asked ourselves: What hope is there for alternative metrics of development to gain mass popularity?

In the new paradigm, health is an investment, and governments can undo misguided internal fiscal limits. Austerity thinking is bad fiscal policy, especially when it cuts long term investment to achieve short term relief. Greater investments in health cannot be conditional on efforts to reduce inflation, build reserves and reduce debt.

The ASMS Project Brief on Rethinking investment in health wants to promote a vision of a strong public health system, and to map out policy maps for thinking differently about health. The WHO Council suggests the following guidelines:

³⁵ WHO Council on the Economics of Health for All. Valuing health for all: Rethinking and building a whole-of-society approach – Council brief No 3. World Health Organization. Geneva, 2022.

³⁶ WHO Council on the Economics of Health for All. Health for All: Transforming economies to deliver what matters – Final Report. World Health Organization. Geneva, May 2023.



When Health for All is the goal, you build the economy for the goal. We described a new ecosystem for economics, and a new paradigm focused on what to value, how to measure it, and to what end.

We need alternative data with multiple dimensions that can be accessed and debated.

We need to value health and wellbeing as the central measure of success in society and economy.

We need a whole of government approach that is more collaborative, holistic, dynamic, multi stakeholder and cross sectoral.

To move in these directions, the Council thinks it requires three things: repeated use of alternatives, policy leadership that values alternatives, and education supporting diffusion of the alternatives. We also believe an educated citizenry can help buffer media propaganda of the official GDP.

Following the Council report, WHO members requested a draft global strategy to be developed. The guiding principles are that it is people centred, has social participation, equity, gender equality, is country-led, evidence-informed, and is focused on environmental sustainability.

“ In the new paradigm, health is an investment, and governments can undo misguided internal fiscal limits. Austerity thinking is bad fiscal policy, especially when it cuts long term investment to achieve short term relief. Greater investments in health cannot be conditional on efforts to reduce inflation, build reserves and reduce debt.”



Measuring what matters demands capacity. The draft strategy suggests the following illustrations:³⁷

Capacity at the highest level of government for mission-oriented policies

to effectively set a direction and orient economic policies towards HfA

Capacity to build political and legislative consensus for enhancing engagement in EHfA

Capacity in social participation along the policy cycle, to engage stakeholders in the design and implementation of economic policies, ensuring policies reflect population values and preferences.

Capacity in cross-disciplinary collaboration (economic, health and environmental sciences) to better match evidence generation with policy challenges and priorities.

Capacity to develop and maintain effective digital infrastructures, linking demographical, epidemiological and economic data to capture the interdependence between health and economic systems and allow monitoring, investment appraisal and evidence-informed policy-making.

Capacity for cross-sectoral engagement and collaboration, including understanding the needs and concerns of different sectors and develop common frameworks and processes.

Capacity in developing and implementing right to health accountability frameworks through independence of well-resourced legal and regulatory systems, close engagement with civil society and supportive medias.

In Geneva, New Zealand supported the request for WHO to develop a Health for All approach. We wait to see if this will have any effect at all on policy development for health at home in Aotearoa.

37 Draft outline: Global Strategy on the Economics of Health for all, p.21: EHfA Strategy_Draft_Annotated Outline for External Consultations (1)



Appendix 1

There are many major issues in the measurement of GDP, and these are always significant. New editions of the UNSNA are never across the major issues of the time, and the statisticians are always working on what's wrong with the data.³⁸ Let's look at some examples.

National income accounts operate on a country-by-country basis. Globalization has been incredibly inconvenient. Production chains cross borders, engage in cyber-space, and complicate economic classifications.

A key issue for the UNSNA is ownership of the goods, wherever they might be. Most countries would have a distortion, between the 'value' figure used to measure national accounts, and the 'volume' figure used to measure the physical movement of goods. Dutch statisticians contend there is an increasing share of the economy where volume – based measurement is not possible.³⁹ They raise a very important point, that, the friction between crude and sophisticated volume measures of output seems to have resulted in mostly crude methods. If comparing different countries is seen as one of the games to play in creating national accounts statistics in the first place, crude methods reign. These comparisons come at the cost of the accuracy of the actual volume measures.

We know that global production chains create a UNSNA problem for where to allocate the 'value added', and profits, to national economies. This is especially challenging if the priority is tax avoidance. Where and when and how is 'value added' generated? Internationally dispersed production processes mean double counting is invariably included in gross trade flows. This issue is perennially on the agenda for the UN Inter Secretariat Working Group on National Accounts.⁴⁰

Distinguishing between goods and services is also a major issue. The 1993 UNSNA required simultaneous production and consumption of services. Yes – it has always realised that some services, such as education, can be 'stored' but they can't be stolen, a traditional way of distinguishing between goods and services. In 2009, the UNSNA manual⁴¹ introduced changes regarding how 'services' would be defined and differentiated from goods, because of the challenges presented by information technologies, financial services, digitalisation of products and intellectual property.

However, Damien Brouselle argues that the new categories are very confusing, and give rise to questions such as: Can service industries produce goods? Are there examples of manufacturing industries providing services?⁴² And how do you measure the digital economy? Michael Grömling noted that growth rates of GDP can be distorted in periods of major and rapid technological transitions, and it takes some years to catch up, to analyse what the 'disrupter' or circuit breaker is, and to interpret this adequately.⁴³

38 see, for example: Intersecretariat Working Group on National Accounts. Handbook on Measuring Data. Statistical Commission, Fifty-sixth session. New York, March 2025.

39 Edens B, van den Bergen D, van Rossum M, Hoekstra R, Rensmen M, The SNA: Facing a Choice between Measurability and Relevance? Paper Prepared for the IARIW-OECD Special Conference: 'W(h)ither the SNA?' Paris, France, April 16-17, 2015

40 See, for example, United Nations Economic and Social Council. Report on the Inter Secretariat Working Group on National Accounts E/CN.3/2017/13. 15th December 2016

41 System of National Accounts. Systems of National Accounts Manual, UNSTATS, New York, 2009.

42 Brouselle, D. The Emerging New Concept of Services in the System of National Accounts and the Balance of Payments. Review of Income of Wealth, Series 61, Number 3, September 2015

43 Grömling, M. The Digital Revolution – New Challenges for National Accounting? World Economics. Vol 17. No 1 January – March 2016



The treatment of what are called 'establishments' in the UNSNA is another thrilling quagmire. The original rationale, that 'establishments' conducted one activity in one location so that the physical processes of production were clear,⁴⁴ is not a reality. Multiple enterprises in many different places can be engaged in simultaneous activities. This includes crossing the production boundary as people who work from home also take care of activities excluded from the boundary of production at the same time. (This has always been the case in many parts of the developed world). With flexible working hours paid work can overlap with other activities. In many cases people use household space and resources, household assets, computers, smartphones, cars and coffee machines, for paid work.

People also use household durable consumer goods for production purposes, turning them into investment goods as well.⁴⁵ Uber and the multiplication of ride sharing businesses have been matched by the arrival of Airbnb, along with media influencers.

With these phenomena of consumer-to-consumer market exchanges, new issues arise as former consumption items become assets, and thus eligible for depreciation. They work as a form of regressive taxation, advantaging those who have the assets to make the choices to use them in this way. The UNSNA division between final household consumption and gross fixed capital formation is now a fiction.

The boundary of production excludes the single largest sector of the nation's economy – unpaid work, overwhelmingly done by women.

There's lots more.

The human genome project freely released its data. Does that mean it is of no value?

How do we measure the informal economy?

How do we measure Financial Intermediation Services indirectly measured – what's to be covered and at what price and breakdown?

How do we account for eco-system depletion?

UNSNA data underestimate or misrepresent GDP figures even while we are immersed in perpetuating this GDP fiction as a comparable exercise. Policymakers, the private sector, citizens and academics, use this with little or no idea about the limitations of the data they are working with.

44 Intersecretariat Working Group on National Accounts. Annex 4: Research Agenda. 2008. <https://unstats.un.org/unsd/nationalaccount/RAAnnex4.asp>

45 Coyle, D: Rethinking GDP. Finance and Development. International Monetary Fund. March 2017, Vol.54, No.1



