

“How can public policy contribute to improved performance in employment and to an increase in the Four Capitals?”

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Abstract

Discussions of wellbeing and performance have generally focused on individual firms. This can be described as the micro-economic level.

The challenge for policy makers is to consider issues at a broader, cross-society level, or the macro-economic environment. One of the ways to do that is through the concept of the Four Capitals (Physical, Human, Social and Natural).

Collectively, the four capital stocks comprise comprehensive wealth, and various agents (firms, households, government) combine these in various ways to generate flows of goods and services that are consumed by people and enhance their living standards. Both traditionally economic and also non-economic aspects of wellbeing are incorporated into the four capitals. As the capital stocks increase, so too does the wellbeing and living standards of New Zealanders, which is the vision of The Treasury. The Treasury's view is that good public policy enhances the capacity of the four capitals to generate well-being.

This presentation will explore the policy questions that can help improve wellbeing and performance, for individuals, and for the country. This includes consideration of what are the biggest influences on the labour market and what should be the policy response.