

**ECONOMIC POLICY AND
CULTURAL WELL-BEING:
THE NEW ZEALAND EXPERIENCE**

Paul Dalziel, Gillis Maclean and Caroline Saunders*

Commerce Division, Lincoln University
P.O. Box 84, Lincoln 7647, NEW ZEALAND

E-mail Address: dalzielp@lincoln.ac.nz

Abstract

In 2002, the New Zealand government identified three sectors that would be the focus of public policy under its Growth and Innovation Framework. One of these three sectors was the creative industries, selected on the basis that ‘the creative industries can leverage New Zealand’s *unique culture* and as a knowledge based sector, it has the potential to generate wealth on a sustained basis and reposition New Zealand as a nation of new ideas and new thinking’. Also in 2002, New Zealand reformed its Local Government Act so that one of the two purposes of local government is to promote the social, economic, environmental, and *cultural well-being* of communities, in the present and for the future. This paper draws on New Zealand’s experiences under these policies to examine the links between economic policy and cultural well-being, highlighting the underlying principle that the use of cultural capital for economic benefit may damage cultural well-being if the cultural capital is not kept connected to its cultural context.

(31 July 2008)

* This paper was originally an invited presentation to an International Symposium on *The Roles of New Zealand and Japan in the Asia-Pacific: From Standpoints of Security, Economy and Cultural Exchange*, Waseda University, Tokyo, 14-15 September, 2008. The symposium was hosted by the Japan Society for New Zealand Studies, co-hosted by the Research Group of Economic Education, the Institute of Asia-Pacific Studies and Waseda University. It was sponsored by the Tokyo Club Corporation, Waseda University. The authors are very grateful to the President of the Japan Society for New Zealand Studies, Professor Michio Yamaoka, for his kind invitation to present this paper at the symposium. The presenter, Professor Paul Dalziel, is grateful to the hosts and sponsor, and to Lincoln University, for financial support to participate.

ECONOMIC POLICY AND CULTURAL WELL-BEING: THE NEW ZEALAND EXPERIENCE

Introduction

New Zealand attracted international attention for its programme of comprehensive economic reforms between 1984 and 1994 (see, for example, Evans et al, 1996, Dalziel and Lattimore, 1998, Dalziel, 1998, McMillan, 1998, Dalziel, 2002, and Boston et al, 2004). The reforms were initiated in response to widespread recognition within New Zealand that the economy had failed to achieve the same rate of economic growth as other OECD countries due to economic policies that relied too much on regulatory controls against a background of considerable policy-induced macroeconomic instability. Consequently, successive governments reformed monetary policy, fiscal policy, international trade policy, domestic industry policy, employment law policy, public sector policy and social security policy within a reasonably consistent framework intended to promote macroeconomic stability and microeconomic competition.

Even as these reforms took place, there were concerns that other objectives of good government were being overlooked. In particular, the decade of economic reform was associated with considerable social dislocation and distress. Industry restructuring after the removal of import protection or government subsidies devastated small communities dependent on forestry, meat processing or light industry. Unemployment, which had been negligible until the late 1970s and was still only 4.0 per cent in 1984, rose to 10.9 per cent in 1991. Rates of unemployment among Māori and Pacific Island New Zealanders reached Great Depression levels of 25 per cent and higher. This was accompanied in April 1991 by significant reductions of income support for jobseekers, which intensified poverty in households without employment. Reflecting on the outcome of the first wave of reforms, a government appointed Royal Commission on Social Policy (1998, Vol. II, p. 427) recommended ‘the adoption in New Zealand of an integrated policy approach ... [with] a better and more humane balance between economic and social policy considerations than has occurred in the past.’

In contrast to the sacrifice of social well-being during the economic reforms, the government introduced several reforms intended to promote environmental well-being. The Environment Act 1986 set up the Ministry for the Environment, and created a Parliamentary Commissioner for the Environment, whose office at the time was the first independent environmental watchdog of its kind in the world for almost a decade (Young, 2007). The Conservation Act 1987 created the Department of Conservation, drawing staff from previous roles in the New Zealand Forest Service, the Department of Lands and Survey, the Wildlife Service and the Archaeology Section of the New Zealand Historic Places Trust (Napp, 2007). In 1991, the government passed a

landmark piece of legislation, the Resource Management Act. Section 5 of the Act explains that its purpose is ‘to promote the sustainable management of natural and physical resources’ and goes on to explain:

In this Act, “sustainable management” means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural wellbeing and for their health and safety while—

- (a) Sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and
- (b) Safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and
- (c) Avoiding, remedying, or mitigating any adverse effects of activities on the environment.

This legislation was significant for a number of reasons, but one very important feature was its recognition of *four* conjoint objectives for government policy: social well-being; economic well-being; cultural well-being; and environmental well-being. Particularly significant is the appearance of ‘cultural well-being’, which is unusual in international legislation but can be explained by New Zealand’s relatively recent history of grappling with recognising in law the cultural *taonga* (treasures) of Māori (Dalziel et al, 2006).

In the general election of 1999, New Zealand elected a Labour-led government headed by Helen Clark. In the first Speech from the Throne after the election, the Governor General Sir Michael Hardie Boys set out the change of direction intended by the new government. As convention requires, it was a wide-ranging address, but two of its major points deserve closer attention. First, the speech argued that the economic reforms of the 1980s and 1990s had not been sufficient, and further economic transformation was required:

Underlying this [recent economic] volatility are major structural problems which have not been addressed by the radical reforms undertaken since 1984. ... My government is determined to address these structural failings in order to improve real incomes and provide the means to restore our social services to being amongst the best in the world.

It is crucial that government policies ensure that New Zealand transforms the base of its economy much faster than has been the case in recent years. The future must be one of a high skills, high employment, high value added economy. We need to be innovative and adaptive to changing international demands.

My government recognises that simply relying upon market forces will not deliver these changes. A new partnership needs to be built with business and local communities. My government will support and work in partnership with local government to develop job opportunities using available resources in a sustainable manner.

New partnerships with local government, businesses, communities, and the voluntary sector will be developed to revitalise regional economies. My government will have programmes to assist new businesses establish and develop their full potential, to help existing businesses to expand, and to enable local communities to develop effective economic development strategies. Overall responsibility for the delivery of the new business development programme will lie with a new organisation, Industry New Zealand. The Minister for Economic Development will be moving quickly to set up Industry New Zealand.

Secondly, the Speech from the Throne made several important points about national identity and culture:

New Zealand's natural heritage is part of our national identity. The image that foreigners have of us is often one of soaring mountains, deep fiords, thermal activity, braided rivers and all that we are so familiar with.

But a nation is not just a physical environment. It is also a culture, the identity that makes each of us a New Zealander wherever we are. Much of that identity has been bound up with our sporting prowess. Clearly in that respect we are not always achieving the standards we have set ourselves. More resources will be devoted across a broad range of sports to lifting our performance.

My government has a special interest in the promotion of arts and culture. That has been signalled by the Prime Minister also being the Minister for Arts, Culture and Heritage. A small country which exists in an increasingly globalised environment has to work hard to maintain and develop its own cultural identity.

My government will strongly support our professional, performing artists. It will nurture much stronger music, publishing, and film industries through assistance with financing investment, export development, and promotion.

These two themes – economic transformation and the promotion of national culture – are the subject matter of this paper, which is part of a larger research programme seeking to understand how economic well-being and cultural well-being interact with each other, both positively and negatively. This topic is of considerable interest within New Zealand, but is also relevant internationally. As modern information and communication technologies facilitate international flows of goods and services, all countries are being challenged about what defines national identity or maintains the cultural well-being of their citizens. This is also true within countries, as different parts of the community struggle to assert contested cultural values.

The central message of this paper is that New Zealand has made some significant changes to its understandings of economic policy and of cultural well-being over the last decade, but these developments have occurred with little interaction between them. This is unfortunate, since the paper argues that the use of cultural capital for economic benefit may damage cultural well-being if the cultural capital is not kept connected to its cultural context. Section 1 of the paper describes the government's growth and innovation framework that has recently developed into the economic transformation agenda. This includes discussion of the work of New Zealand Trade and Enterprise that aims to strengthen the creative industries as a mechanism for leveraging New Zealand's culture to generate wealth. Section 2 turns attention to the Ministry for Culture and Heritage, which was founded in 2000 to strengthen the government's capabilities to protect and manage the nation's cultural resources. This section discusses in particular the Ministry's cultural well-being programme and efforts being made to measure indicators of cultural well-being. Section 3 uses New Zealand examples to discuss how economic transformation and cultural well-being may be in tension with each other. It concerns examples that create intellectual property or a market brand out of cultural capital. Section 4 concludes.

1. Economic Transformation and New Zealand Culture

New Zealand's period of economic reform is generally recognised as ending with the passing of the Fiscal Responsibility Act in 1994. The remainder of the decade was a transition phase to the new market economy as the economic reforms were consolidated but not extended. The change of government in the general election of November 1999, resulted in the adoption of a new form of economic management based on 'economic transformation'. The incoming government laid the foundations for this new approach by setting up a Science and Innovation Advisory Council to prepare a report that was eventually published in February 2002 under the title *An Innovation Framework for New Zealand*. This report explained the core element in the change being sought (p. 19):

Hitherto New Zealand companies have created advantage by competing largely on the basis of high quality and low cost, especially in the primary sector. Economic transformation requires that New Zealand's future global companies, regardless of sector, be based around exploiting ideas and knowledge, and obtaining fullest value from them.

The emphasis on 'exploiting ideas and knowledge' was given further impetus in a joint initiative of the government with the country's largest university, the University of Auckland. The initiative was termed the *Catching the Knowledge Wave* project; see www.knowledgewave.org.nz/index.php?fuseaction=template&content=introduction. It culminated in a national conference, which described itself as 'a call to our roots as inventive, self-reliant people to create a new culture of creativity and innovation in our commercial and social life'. The Chairman of the Knowledge Wave project team, Dr Chris Tremewan, explained the reasons for the project and the conference:

Knowledge is a new force driving the world's most successful societies, replacing the old stores of wealth – land, industrial machines, capital – as the new currency of social and economic success. ... It is a trend creating global shifts which are as profound as they are swift and, after 40 years of economic under-performance, New Zealand cannot ignore the implications of this new era of knowledge-driven growth any longer. ... It is time to reinvent and reinvest in ourselves to ride this wave of knowledge-based social and economic opportunity.

Tremewan (2002) finished his explanation with a call for New Zealanders to embrace knowledge, drawing some important links with culture.

Knowledge-based industries tend to produce specialised goods that are priced on their sophistication rather than their cost of manufacture. They increasingly recognise the value of cultural, ethnic, aesthetic and lifestyle differences. National identities are shaken up, but diversity is also more highly cherished. While often expensive to produce, much new knowledge also becomes freely available. When governments ensure that knowledge is accessible, it has a democratising impact, creating a force for social as well as economic action. This kind of society would explicitly nurture the growing importance of our intangible and cultural assets. It would reframe how we regard knowledge so that new opportunities for social and economic participation begin to open up. We need to find the settings of a creative national framework that is right for our country, while accepting that unless we reinvigorate our creativity, innovation, and learning, we will continue to slip behind the countries we once thought of as poor.

At the same time, Treasury had set up a team to undertake a project on economic growth. Under a heading of ‘Facilitating Economic Transformation’, this project hosted a series of internal seminars, with the papers later published on the Treasury website at www.treasury.govt.nz/et/default.asp and a summary paper presented to the annual conference of the New Zealand Association of Economists (Lewis, 2002). The views expressed in this and all the seminar papers are those of their authors and the papers are not official Treasury documents. Nevertheless, the material provides good information about the intellectual and empirical foundations for the government’s economic transformation policies, including the following summary by Lewis (2002, p. 29).

Policies to generate sustained high per capita growth in a geographic outlier like New Zealand need to concentrate on fostering innovation and on extending the effective size of the market via exporting and other international linkages. Both innovation and exporting tend to be characterised by high fixed costs that create large barriers for small firms. The non-rival character of some new knowledge and complementarities between new technologies and specialised skilled labour may also mean divergence between social and private costs and returns.

The policy interventions to encourage innovation and international links should largely be generic rather than focus on particular sectors of the economy. This follows in order to avoid the risks of lack of information and special-interest lobbying inherent in a “picking winners” strategy. If selection is part of an intervention strategy, choosing sectors that have the character of general purpose technologies (such as ICT or biotech) will minimise the risks and maximise the chances of boosting productivity and growth.

The thinking behind the three projects described above was synthesised by the government in a major policy document, *Growing an Innovative New Zealand*, published in February 2002. This document became the foundation for what was subsequently known as New Zealand’s ‘Growth and Innovation Framework’, or GIF for short. It argued that New Zealand had put in place important foundations for the economy’s overall strength and potential for growth, including (p. 6):

- A stable macroeconomic framework
- An open and competitive microeconomy
- A modern cohesive society
- A healthy population
- Sound environmental management
- A highly skilled population
- A globally connected economy

Under the heading ‘transformation is needed’, it also argued (p. 14) that ‘much more needs to be done in order to return New Zealand’s real per capita income to the top half of the OECD and allow us to continue to finance the provision of first world public health and education services, provide competitive opportunities for all New Zealanders, and provide returns which attract further capital to New Zealand.’ In particular, New Zealand needed ‘a vibrant and well integrated innovation system capable of creating wealth from ideas’ (p. 32).

Growing an Innovative New Zealand also announced that the government would focus its innovation initiatives on three sectors judged capable of achieving world-class competitive advantage while contributing to enhanced productivity in all domestic industries. The three selected sectors were biotechnology, information communications and technology (ICT), and the creative industries. The choice of the third sector brought the government's economic transformation policies into direct contact with the nation's culture, as is explicitly described on the webpage maintained by New Zealand Trade and Enterprise on the creative industries (www.nzte.govt.nz/section/11756.aspx):

The creative industries sector is identified within the Growth and Innovation Framework as one of the keys to New Zealand's economic transformation. The sector was chosen both because of its potential for growth and its ability to enable innovation and improved productivity across other sectors within the economy. The creative industries sector currently contributes about \$2.86 billion (3.1% total GDP), but the sector is growing at a faster rate than the economy as a whole, at a rate of 9%.

Creative industries is a diverse sector, which includes screen production, television, music, design, fashion, textiles and digital content. New Zealand has already established competitive advantage in some niches within the sector, notably, screen production and post production, and has a growing reputation across a number of other areas including fashion and design.

In addition to our world class capability, the creative industries can leverage New Zealand's unique culture and as a knowledge based sector, it has the potential to generate wealth on a sustained basis and reposition New Zealand as a nation of new ideas and new thinking.

The government set up two taskforces to explore and develop the potential of the creative industries. The first taskforce focused on the screen production industry, and was comprised of leaders from four major production sectors – feature films, television, commercials and post-production. It reported back to the government in March 2003, pointing out that creativity is not sufficient to ensure success (Screen Production Industry Taskforce, 2003, p. 7).

Both locally and internationally, the industry is intensely competitive and involves high risk. Creativity alone will not ensure that New Zealand has a strong, vibrant industry with a significant place in the global marketplace. We need business and marketing skills, entrepreneurship, independence, innovation, determination and vision to compete in the international marketplace. Only with a growth in private investment from both New Zealand and overseas will we be able to decrease our dependency on the Government dollar that sets limits on funding levels and sometimes also sets inhibiting cultural imperatives.

The second taskforce focused on design, adopting the slogan that '*business + design = commercial success*'. The first sentences of the taskforce's opening messages set out the opportunities offered by New Zealand's culture (Design Taskforce, 2003, p. 4).

The character of our country – its relative geographic isolation and its distinctive cultural mix – has conferred some advantages. Through necessity we have developed a high level of self-sufficiency and ingenuity. We tend to carry less 'baggage' from the past than in some countries. We're more open to different cultural views and more receptive to new ideas. There's a fresh 'Pacific' perspective that helps define us.

This led the Taskforce (p. 32) to recommend a value generating partnership through interaction between the developing sophisticated New Zealand design culture and industry, focusing on product design (the design of consumer and commercial products, specifically including products generated by Elaborately Transformed Manufacture) and communications design (all aspects of the business/customer interface: branding, marketing collateral, printed and digital communications, point-of-sale presentation and packaging). The government subsequently allocated NZ\$12.5 million over four years to implement the Taskforce's recommendations, including funding for the 'Better by Design' programme (see www.betterbydesign.org.nz).

The Crown entity responsible for implementing national development policies is New Zealand Trade and Enterprise (NZTE), formed in 2003 by a merger of two previous agencies responsible respectively for trade promotion and industry policy. NZTE has developed a website to support its Brand New Zealand programme, which positions New Zealand as creative, innovative and technologically advanced under the title of 'New Zealand New Thinking' (see <http://www.newzealandthinking.com>). The website explains the programme's foundations on its FAQ page:

New Thinking is based on what is seen as a strength for New Zealand, from a trade and investment perspective. We believe that such a positioning needs to not only be aspirational, but also based on what is achievable – New Thinking is both of these and we have many examples both historically and right now that back this up.

New Thinking is about New Zealanders' particular way of thinking and how this has driven by aspects of New Zealand's history, heritage, and unique culture. For example, it is this attitude and thinking that enables New Zealand companies to see market opportunities and bring value to global markets.

If we don't actively promote the identity and position that we want we then leave ourselves to be branded by default. We believe that to accelerate our development as a country we need to actively manage and market our brand. And that this brand needs to be based on an experience that we believe we can deliver.

Other examples could be provided where government policy has aimed to drive economic transformation based on 'aspects of New Zealand's history, heritage and unique culture', but the point has been made. In this context, New Zealand culture is a means to an end and not necessarily an objective of equal status (as ought to be required by the 'four well-beings' framework discussed above). The end in this context is economic well-being, with culture subsumed as a form of intellectual property that can be used to promote New Zealand exports, tourism, services and investment to global audiences.

The following section looks at a separate government policy stream that seeks to develop and measure the nation's cultural well-being.

2. Developing and Measuring Cultural Well-Being

At the change of government in 1999, the incoming Prime Minister signalled the centrality of cultural well-being to the new government's programme by assigning herself the portfolio of Arts, Culture and Heritage. The Prime Minister was invited to give an address to the University of Auckland Winter Lecture Series in August the following year, in which she presented her view that public policy on arts and culture has three main objectives (Clark, 2000):

The first is the enabling of creative expression through arts and culture and the building of audiences in New Zealand which, through their support, will help sustain and nurture artistic and cultural forms. In this sense it matters not whether the creative expression is in the traditional performing arts where our talented people present the works of others to a high standard, or whether it is in the production of new works, visual or performing, presenting fresh perspectives. It is the ability to contribute to creative expression which is important in its own right, and the ability to inspire and move others. I place great store on the intrinsic value of the arts, on the expression of creative talent by the individual, and on the creation of a society which accepts the arts not as an optional extra but as a necessity of civilisation.

My second objective for public policy is to see arts and culture contribute to a strong assertion of New Zealand identity as a unique and creative nation. ... We are a unique nation, building a future on a foundation of biculturalism with the values and heritage of many peoples contributing to that future. We have our own stories to tell and our own perspectives on events. Our creative people across all artistic and cultural media have a big role to play in defining our nation in the twenty-first century.

My third objective is to see arts and culture contribute to the building of strong creative industries which provide rewarding employment, opportunities for creative entrepreneurs, and good economic returns. Indeed the creative sector has the potential to be among the key growth industries of the twenty first century. World wide, there is huge growth in the service sector around industries based on creative talent. New Zealand with its large pool of talented people has the potential for its creative sector to do exceptionally well, and make an even larger contribution to our economy.

Consistent with its commitment in this field, the government restructured the former Ministry of Cultural Affairs and some units in the Department of Internal Affairs to create a new Ministry for Culture and Heritage in 2000. The government also made an initial injection that year of over NZ\$80 million into the arts, culture and heritage sector, with ongoing funding increases in each of the next three years. This extra funding was seen as necessary to strengthen arts, cultural, and heritage organisations that were in a parlous financial state.

In 2002, New Zealand reformed the Act governing its local government. There are two tiers of local government in New Zealand: 74 territorial authorities at the city or district council level, and 12 regional councils that under the previous Act were responsible for implementing key pieces of legislation such as the Soil Conservation and Rivers Control Act 1941, the Resource Management Act 1991, the Biosecurity Act 1993, the Maritime Transport Act 1994 and the Land Transport Act 1998. The previous Act had defined nine purposes of local government; in contrast, the Local Government Act 2002 defined just two purposes (section 10):

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

The inclusion of cultural well-being as a statutory objective raised many issues for city, district and regional councils. Consequently, the Ministry for Culture and Heritage launched a programme of activities in 2005 that was intended to work with local governments 'to raise awareness of the scope of, and the potential for, the promotion of cultural well-being in local, regional and national contexts' (Ministry for Culture and Heritage, 2005a, p. 1). This programme recognised that local councils had been involved in promoting cultural well-being from their earliest days, but not always under headings using that specific term. Nevertheless, meetings and workshops with local government councillors and staff confirmed a generally positive reception to a broader definition of cultural well-being and a keen interest in exploring cultural well-being in terms of local and regional identity (*idem*, p. 2).

The Ministry created a 'cultural well-being' webpage offering a range of relevant resources (see www.mch.govt.nz/projects/culture/well-being.html). This webpage notes that the Local Government Act 2002 does not define cultural well-being (nor indeed 'well-being'; see Saunders and Dalziel, 2004), but offers a Ministry pamphlet that addresses the question, cultural well-being, what is it? This emphasises that local councils must determine their own answers to that question, after working with their local communities to identify the area's values, shared beliefs and cultural diversity, but reports that for its own purposes the Ministry has defined cultural well being as (Ministry for Culture and Heritage, 2005b, p. 2):

The vitality that communities and individuals enjoy through:

- participation in recreation, creative and cultural activities
- the freedom to retain, interpret and express their arts, history, heritage and traditions.

This second mechanism will be discussed further in Section 3 below. The pamphlet goes on to highlight five specific components of this vitality:

- It's about Arts, Creative and Cultural Activities.
- It's about Languages, Film and Broadcasting.
- It's about History and Heritage.
- It's about Sport and Recreation.
- It's about a Sense of Place.

The first three components are almost universally accepted under the heading of cultural well-being. The fifth component is also generally accepted, often expressed in terms of local, regional or national identity. The fourth component, Sport and Recreation, is less widely accepted. It is not included, for example, in major official initiatives to create and measure cultural indicators for New Zealand (see Statistics New Zealand and Ministry for Culture and Heritage, 2006). This is perhaps unfortunate, given the 1999 Speech from the Throne cited above that much of New Zealand's national identity has been bound up with sporting prowess (see also Matthews, 2005). A

sixth possible component missing from the list is Spirituality and Religion, although the Ministry for Culture and Heritage (2006, p. 3) does cite the UNESCO (2001) Declaration on Cultural Diversity definition: ‘that culture should be regarded as the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs.’

The process of producing generally accepted statistical indicators of changes in cultural well-being is still in its infancy in New Zealand, but some progress has been made in recent years. Since 2001, the Ministry of Social Development has published *The Social Report*, which presents indicators of social wellbeing in New Zealand. The indicators are grouped under 11 headings, including sections devoted to ‘cultural identity’ and ‘leisure and recreation’. There are three indicators in each of these sections, so the six indicators offered on cultural well-being in this annual report are (Ministry of Social Development, 2007, pp. 76-91):

- The number of hours of local content screened on New Zealand television channels during prime time (6pm to 10pm), as a proportion of the total prime-time schedule.
- The number of Māori who reported in the five-yearly population census they could hold a conversation about everyday things in the Māori language (te reo Māori), as a proportion of the Māori population.
- The proportion of people who can speak the “first language” (excluding English) of their ethnic group, for ethnic groups (other than Māori) with an established resident population in New Zealand, as recorded in the 2001 Census.
- The proportion of people aged 15 years and over who are “satisfied” or “very satisfied” with their leisure time as reported in the Quality of Life Survey 2006.
- The proportion of adults aged 15 years and over who were sufficiently physically active, as measured by the Sport and Recreation New Zealand (SPARC) Continuous Monitoring Survey.
- The proportion of the population aged 15 years and over who had experienced one or more of the cultural activities included in the 2002 Cultural Experiences Survey.

A second project is the Cultural Statistics Programme initiated jointly by Statistics New Zealand and the Ministry for Culture and Heritage in 1993. This programme published a major report on cultural indicators (Statistics New Zealand and Ministry for Culture and Heritage, 2006), which presented a series of existing or potential indicators of cultural outcomes under five themes: engagement; identity; diversity; social cohesion; and economic development. As already noted, this project does not include sport and recreation in its coverage of the cultural sector, and one of the five themes (social cohesion) does not have any existing indicators. Statistics New Zealand is engaged in ongoing research to produce a national framework of sustainable development indicators. This includes a research project by two of the authors of this paper, which will examine a capital-based approach to measuring cultural well-being.

The promotion of cultural well-being as an explicit goal of national and local policy has been a major achievement of the New Zealand government over the last nine years. The next section of this paper reflects on whether there is any unintended tension between the economic policies being implemented under its economic transformation agenda and the policies being implemented to promote cultural well-being.

Table 1
Existing and Potential Indicators of Cultural Well-Being

Theme	Existing Indicators	Potential Indicators
Engagement	<ul style="list-style-type: none"> • Cultural employment • Employment in creative occupations • Median incomes from creative occupations • How often people experience cultural activities on average • Barriers to cultural experiences • Household spending on cultural items 	<ul style="list-style-type: none"> • Heritage protection • Access to arts, culture and heritage activities and events • Audience numbers • Enjoyment of arts, culture and heritage events and activities
Cultural Identity	<ul style="list-style-type: none"> • Speakers of te reo Māori • Local content on television • Māori television ratings 	<ul style="list-style-type: none"> • Perceptions of the role of arts, culture and heritage • Number of New Zealand events
Diversity	<ul style="list-style-type: none"> • Grants to minority ethnic cultural groups • Attendance/participation at/in ethnic cultural events 	<ul style="list-style-type: none"> • Minority culture activities
Social Cohesion		<ul style="list-style-type: none"> • Non-Māori attendance at Māori cultural events • Other ethnicities attendance • Community cultural experiences
Economic Development	<ul style="list-style-type: none"> • Income of the cultural industries • Value-added contributed by the creative industries • The creative industries' proportion of total industry value-added 	

Source: Statistics New Zealand and Ministry for Culture and Heritage (2006).

3. Economic Policy and Cultural Well-Being

Reflecting on New Zealand's recent experience, the authors suggest three major points have emerged that will continue to guide policy development in the future.

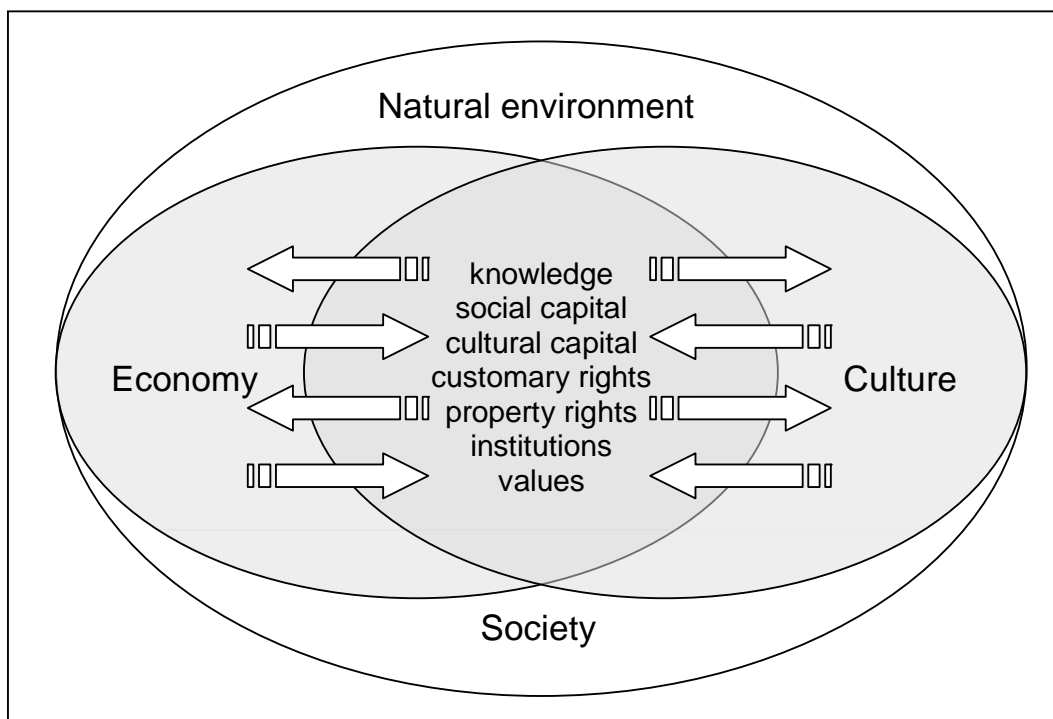
1. Cultural well-being requires access to resources, to fund support infrastructure for recreation, creative and cultural activities, to preserve history and heritage, to protect cultural freedom and to provide income opportunities to creative artists at the forefront of cultural development.
2. Recreation, creative and cultural activities make significant contributions to economic well-being by offering employment and income opportunities in industries such as screen production, fashion and cultural tourism.
3. Economic transformation can be enhanced by drawing on a country's cultural assets to improve the design and marketing of its goods and services and to create a strong country brand for international trade and investment.

These points suggest the possibility of positive synergy between cultural well-being and economic transformation (see also Eames, 2006a, 2006b). There can also be tensions, which the remainder of this paper will explore. Figure 1 provides a framework for the discussion. It shows a country's economy and culture embedded in the country's natural environment and society. It suggests considerable overlap between economy and culture in areas such as knowledge, social capital, cultural capital, customary rights, property rights, institutions and values. These areas of overlap are influenced by, and in turn influence, the economic and the cultural spheres. The argument of this section is that these influences can be mutually reinforcing, but can also create tensions.

An example can be drawn from the history of New Zealand's national airline, Air New Zealand, which has adopted a traditional Māori design known as the koru (pictured here on the cover of Air New Zealand's 2007 annual report) as its company logo. An entry in *Te Ara - The Encyclopedia of New Zealand* comments that 'the koru, which is often used in Māori art as a symbol of creation, is based on the shape of an unfurling fern frond. Its circular shape conveys the idea of perpetual movement, and its inward coil suggests a return to the point of origin. The koru therefore symbolises the way in which life both changes and stays the same.' Shand (2002, p. 48) goes further, stating that the koru 'serves as the central design feature of a number of modes of traditional Māori artistic practice'. At one stage, Air New Zealand decided to incorporate the koru into the design of the carpets in its airport lounges. This led to complaints from Māori that it is deeply offensive for this sacred symbol of life to be walked upon, and the carpets were removed at some cost to the company (Creative New Zealand, 1999, and Solomon, 2000, par. 58; Shand, 2002, pp. 51-52 discusses in more detail the 'protracted ambivalence' created by the appropriation of the koru symbol by Air New Zealand).



Figure 1
Key Interactions Between Economy and Culture



This example can be discussed in terms of Figure 1. The koru is a Māori taonga (treasure), strengthened by generations of Māori artists who have imbued this particular symbol with meaning in the cultural sphere to the right of the diagram. It thus became part of the country's cultural capital, which in its original context was protected by Māori customary rights and duties. Air New Zealand recognised the koru as an economic resource that could add value to its brand. Its particular version of the symbol became private intellectual property, which pulled the koru into the economy left-hand segment of the diagram, separating it from its cultural roots. Indeed, in one context (the airport carpets) the use of the symbol became deeply culturally offensive.

Within a traditional culture, holders of knowledge are enmeshed in social relationships such as kinship and authority that provide rules for the use of knowledge enforced by social sanctions. The legitimacy of any usage rights lies within the tribe's social relationships that recognise the user's mana (authority), kinship and expertise. When such a culture meets Western market and legal systems, the use rights change in two steps.

First, the traditional use rights typically have no standing in the Western legal system, so that to those outside the culture, the cultural capital is effectively treated as a common resource; that is, a resource from which no one can be excluded. While there may be cultural sanctions against the misuse of a cultural treasure, and while there may be social implications from causing cultural offence, there is little legal protection.

Second, an outsider may seek to use the Western legal system to create a private ownership right using intellectual property law. As intellectual property, the original knowledge may become separated from its cultural context. It is possible for the original community to lose control over its own cultural capital; a people may become alienated from their own cultural artefacts. Indeed, as long as cultural capital remains a common resource, the process of privatisation is an ongoing risk, since the ability to appropriate knowledge for profit provides an ongoing incentive to privatise. There is a well-established body of thought that links this process to the enclosure of the commons in Europe during the 18th century and the division and sale of tribally-owned lands during colonisation (see, for example, Boyle, 2003, Baer, 2002, and Taurira01, 2007).

In New Zealand, the government has created a permanent commission of inquiry known as the Waitangi Tribunal, which is charged with making recommendations on claims brought by Māori that actions or omissions of the Crown have breached the promises made in the Treaty of Waitangi. The Treaty of Waitangi is a document signed by representatives of the Queen of England and Chiefs of Māori tribes in 1840 at the beginning of British colonisation of the country. One of the claims brought before the Tribunal in 1991, known in New Zealand as ‘Wai 262’ (meaning it is claim number 262 before the Waitangi Tribunal), argues among other things that the Crown has a duty under the Treaty to protect mātauranga Māori (Māori traditional knowledge) and that the Crown has failed to perform this duty. The Ministry of Economic Development is one of several agencies advising the government on the claim, and its information sheet explains the Crown’s views of the main components of the claim (Ministry of Economic Development, 2007):

To assist its consideration of the claim, the Crown has attempted to distil the broad scope of the Wai 262 issues and different points of emphasis found in the four statements of claim, into four categories:

- Mātauranga Māori (traditional knowledge) – concerning the retention and protection of knowledge concerning ngā toi Māori (arts), whakairo (carving), history, oral tradition, waiata, te reo Māori, and rongoā Māori (Māori medicine and healing). The claimants’ concern is about the protection and retention of such knowledge. They note that traditional knowledge systems are being increasingly targeted internationally.
- Māori cultural property (tangible manifestation of mātauranga Māori) – as affected by the failure of legislation and policies to protect existing Māori collective ownership of cultural taonga and to protect against exploitation and misappropriation of cultural taonga, for example traditional artefacts, carvings, mokomokai (preserved heads).
- Māori intellectual and cultural property rights – as affected by New Zealand’s intellectual property legislation, international obligations and proposed law reforms. Issues include the patenting of life form inventions, the inappropriate registration of trade marks based on Māori text and imagery, and the unsuitable nature of intellectual property rights for the protection of both Māori traditional knowledge and cultural property.
- Environmental, resource and conservation management – including concerns about bio-prospecting and access to indigenous flora and fauna, biotechnological developments involving indigenous genetic material, ownership claims to resources and species, and iwi-Māori participation in decision making on these matters.

These bullet points are at the heart of the intersection between cultural well-being and economic policy. Seventeen years after the claim was filed, the Waitangi Tribunal has yet to report back with any recommendations. This is a testimony to the complexity of the issues being considered. David Williams (2001, p. 37), for example, summarises the conundrum faced by indigenous peoples when confronted by Western intellectual property laws (items in square brackets have been inserted by the authors of this paper):

In the area of intellectual property law reform, the difficulty for Maori (and other indigenous peoples) is that if they stand firm and insist that they have ‘full ownership’ and patentability over indigenous resources, they are denying the wisdom of their own ancestors that resources are not ‘owned’ by people and they will be attacked for claiming an exclusive proprietary right which may ‘lock up genetic resources’ [J. Robertson and D. Calhoun, *Ownership Issues and Access to Genetic Materials*, 1994, p 2 (paper submitted for publication in the *European Intellectual Property Reports*)]. On the other hand, if they do nothing to protect their knowledge, then it will remain as prey for multinational companies, research institutes and others who know nothing of and usually totally disregard the intricate relationships involved in *matauranga Maori* and TEK [traditional ecological knowledge] elsewhere. This perplexing conundrum highlights the importance of the Waitangi Tribunal finding ways and means to facilitate the restoration to Maori of *kaitiakitanga* [guardianship] responsibilities and to recommend measures which enable *hapu* and *iwi* to carry out such responsibilities on their own terms and in their own way.

As is often the case in New Zealand, issues about cultural well-being that are initially raised in a Māori context can be seen to have much wider application. There are other good examples where economic and cultural imperatives might clash if cultural capital is not carefully kept in close contact with its roots. There is enormous cultural capital, for example, invested by New Zealanders in their national rugby team, the All Blacks (www.allblacks.com/). This creates considerable commercial opportunities in what has been termed ‘the All Black brand’. After the All Blacks were beaten in the quarter-finals of the Rugby World Cup (RWC) in 2007, the New Zealand Rugby Football Union commissioned an independent review, which devoted a chapter to the commercial aspects of the RWC campaign. This chapter included six key points learned for the future, including the following two points (Heron and Tricker, 2008, p. 34):

NZRU appeared to manage the commercial aspects of the entire campaign with admirable thoroughness and professionalism. The NZRU, and the All Blacks coaches and management have combined to ensure the All Blacks brand continues to be one of the most successful in world sport (despite lack of RWC success).

The report further noted the implication for the team’s major sponsor, adidas (p. 37):

Notwithstanding this, the adidas view was that it was more important that the All Blacks maintain their extraordinary winning record and consistent ranking as the best team in world rugby. At the time of signing, the adidas partnership with the All Blacks was one of the adidas brands’ biggest financial commitments. There are very strong links between adidas and the All Blacks, such that it is widely viewed by adidas as the most integrated and successful relationship in the business (brand and business-wise). That appears to be a remarkable achievement by NZRU, given adidas stature in the global sporting market.

The New Zealand Rugby Football Union is conscious that the commercial realities of investing in ‘the All Black brand’ could damage its connections with its cultural

roots, and it takes care to maintain those connections. In 2008, for example, it launched a national television advertisement campaign describing the All Blacks Roadshow with the support of one of its commercial sponsors. The website for this promotion explained (www.mastercardroadshow.co.nz/)

MasterCard® is helping the All Blacks give back to local communities. After all, that's where it all starts. From 12 July to the end of August, the MasterCard All Blacks Roadshow will stop at over 20 locations across New Zealand. At each event, you can test yourself. To top it off, you could also meet some of the All Blacks, including MasterCard Ambassador, Richie McCaw. Sorry if we missed your town this year, we'll be sure to keep it in mind when planning our route next time. Join a nation of rugby fans and celebrate the All Blacks.

This example reinforces what the authors of this paper suggest is an important underlying principle: the use of cultural capital for economic benefit may damage cultural well-being if the cultural capital is not kept connected to its cultural context.

Conclusion

This paper has drawn on New Zealand's recent experiences under its Growth and Innovation Framework and its Local Government Act, both introduced in 2002, to examine the links between economic policy and cultural well-being. Part 1 highlighted the way in which economic policy has sought to strengthen the role of the creative industries in promoting economic transformation of the country. Part 2 highlighted the way in which cultural well-being has been made a statutory objective of local government, and how New Zealand is attempting to measure cultural well-being. Part 3 finished by highlighting the underlying principle that the use of cultural capital for economic benefit may damage cultural well-being if the cultural capital is not kept connected to its cultural context.

This last point raises an important issue for future policy development, since the current infrastructure for policy advice tends to separate the four statutory objectives of social well-being, economic well-being, environmental well-being and cultural well-being. This is illustrated in Table 2, which lists the respective agencies currently responsible for publishing data about indicators of well-being under the four headings. It is worth noting that three of these four agencies were created in the restructuring of the civil service implemented in its first term by the government elected at the end of 1999. The Ministry of Economic Development was established in February 2000, having previously been the Ministry of Commerce. The Ministry for Culture and Heritage was established in October 2000 by combining the former Ministry of Cultural Affairs with some units in the Department of Internal Affairs. The Ministry of Social Development was established on 1 October 2001 after the amalgamation of the former Ministry of Social Policy and the Department of Work and Income. Thus the four statutory well-beings in the Local Government Act 2002 each have a strong policy agency at the national level.

Table 2
Reporting Indicators of Well-Being

Objective	Responsible Agency	Source of Indicators
Social	Ministry of Social Development	www.socialreport.msd.govt.nz/
Economic	Ministry of Economic Development	www.med.govt.nz/templates/StandardSummary_32251.aspx
Environmental	Ministry for the Environment	www.mfe.govt.nz/publications/ser/
Cultural	Ministry of Culture and Heritage	www.mch.govt.nz/cwb/indicators.html

Figure 2
Relationship Among the Four Well-Beings



Ministry for Culture and Heritage (2005b).

Source:

The logic of having strong but separate agencies responsible for each of the four well-beings can be explained using Figure 2, which was designed by the Ministry for Culture and Heritage. Its website (www.mch.govt.nz/cwb/index.html) explains that the diagram has three features: (1) well-being is at the centre; (2) well-being is enhanced when the four equidistant types of well-beings move efficiently around the centre; and (3) all of the four well-beings are interdependent and equal in weight. Although this framework recognises the interdependence of the four well-beings in its third point, it does not recognise the advantages that can be gained by *integrating* policies that target the four well-beings together (see, for example, Dalziel et al, 2006). The argument of this paper suggests that integration is important, particularly when cultural capital is used by policymakers to promote economic transformation.

References

- Baer, L. A. (2002) 'Protection of Rights of Holders of Traditional Knowledge, Indigenous Peoples and Local Communities.' *World Libraries*, 12(1). Accessed 29 July 2008 at www.worlib.org/vol12no1/print/baer_print.html.
- Boston, J., P. Dalziel and S. St. John (Eds) (2004) *Redesigning the Welfare State in New Zealand: Problems, Policies and Prospects*. Japanese Edition, translated by Hideaki Shibata and Shioto Fukuchi. Kyoto: Horitsu Bunka-Sha.
- Boyle, J. (2003) 'The Second Enclosure Movement and the Construction of the Public Domain.' Duke University School of Law, Durham NC. Accessed 29 July 2008 at www.law.duke.edu/pd/papers/boyle.pdf.
- Clark, Rt. Hon. Helen (2000) 'Arts, Culture and Public Policy.' Speech to the Winter Lecture Series on the State of the Arts, University of Auckland, 22 August.
- Creative New Zealand (1999) 'Owning the Abstract: the Wai 262 Claim.' Accessed 3 July 2008 at <http://www.creativenz.govt.nz/node/2100>.
- Dalziel, P. (1998) 'New Zealand.' Chapter in C. E. Morrison and H. Soesastro (Eds) *Domestic Adjustments to Globalization*. Tokyo: Japan Center for International Exchange, pp. 103-134.
- Dalziel, P. (2002) 'New Zealand's Economic Reforms: An Assessment.' *Review of Political Economy*, 14(1): 31-46.
- Dalziel, P. and R. Lattimore (1998) *The New Zealand Macroeconomy: A Briefing on the Reforms*. Japanese Edition, translated by Tatsuo Kato and Yoshinori Okada. Chiba: Azusa Shuppansha.
- Dalziel, P., H. Matunga and C. Saunders (2006) 'Cultural Well-Being and Local Government: Lessons from New Zealand.' *Australasian Journal of Regional Studies*, 12(3): 267-280.
- Design Taskforce (2003) *Success by Design*. Wellington: Ministry for Economic Development.
- Eames, P. (2006a) 'Transforming Economies by Building Cultural Capital.' Paper presented to the World Summit on Arts and Culture, Newcastle Gateshead, 14-19 June 2006. Accessed 30 July 2008 at www.pseconsultancy.com/.
- Eames, P. (2006b) *Cultural Well-Being and Cultural Capital*. Waikanae: PSE Consultancy.
- Evans, L., A. Grimes, B. Wilkinson with D. Teece (1996) 'Economic Reform in New Zealand 1984-95: The Pursuit of Efficiency.' *Journal of Economic Literature*, 34(4): 1856-1902.
- Hardie Boys, Sir Michael (1999) 'Speech from the Throne.' Accessed 18 July 2008 at www.executive.govt.nz/throne.htm.
- Heron and D. Tricker (2008) 'Independent Review of the 2007 Rugby World Cup Campaign.' Wellington: New Zealand Rugby Union. Accessed 31 July 2008 at http://files.allblacks.com/comms/mb/Independent_Review_2007_Rugby_World_Cup_campaign.pdf.

- Lewis, G. (2002) 'The Economic Transformation Debate: Where Have We Got To?' Paper presented to the New Zealand Association of Economists Conference, 26-28 June, Wellington.
- Macmillan, J. (1998) 'Managing Economic Change: Lessons from New Zealand.' *World Economy*, 21(6): 827-843.
- Matthews, M. (2005) 'At the Heart: How Culture and Recreation Intersect.' Address to the New Zealand Recreation Association, Wellington, 14 November. Accessed 29 July 2008 at www.mch.govt.nz/projects/culture/well-being.html.
- Ministry for Culture and Heritage (2005a) 'Review of Cultural Well-Being Related Activity: The Ministry for Culture and Heritage with Local Authorities.' Wellington: Ministry for Culture and Heritage. Accessed 29 July 2008 at www.mch.govt.nz/projects/culture/well-being.html.
- Ministry for Culture and Heritage (2005b) 'Cultural Well-Being: What is It?' Wellington: Ministry for Culture and Heritage. Accessed 29 July 2008 at www.mch.govt.nz/projects/culture/well-being.html.
- Ministry for Culture and Heritage (2006) 'Cultural Well-Being and Local Government: Report 1: Definitions and Contexts of Cultural Wellbeing.' Wellington: Ministry for Culture and Heritage. Accessed 29 July 2008 at www.mch.govt.nz/cwb/pdfs/report1.pdf.
- Ministry of Economic Development (2007) 'Information Sheet: Treaty of Waitangi Claim Wai 262.' Wellington: Ministry of Economic Development. Accessed 29 July 2008 at www.med.govt.nz/templates/Page_1207.aspx.
- Napp, B. (2007) *A Short History of the Department of Conservation: 1987-2007: Born with a Mission*. Wellington: Department of Conservation.
- RCSP (1998) *The April Report*. Wellington: Royal Commission on Social Policy.
- Saunders, C. and P. Dalziel (2004) 'Economic Well-Being in Regional Economic Development.' *Australasian Journal of Regional Studies*, 10(3): 355-366.
- Science and Innovation Advisory Council (2002) *An Innovation Framework for New Zealand*. Wellington: New Zealand Government.
- Shand, P. (2002) 'Scenes from the Colonial Catwalk: Cultural Appropriation, Intellectual Property Rights, and Fashion.' *Cultural Analysis*, 3: 47-88.
- Screen Production Industry Taskforce (2003) *Taking on the World*. Wellington: Ministry for Economic Development.
- Solomon, M. (2000) 'Strengthening Traditional Knowledge Systems and Customary Law.' Paper prepared for the UNCTAD Expert Meeting on Systems and National Experiences for Protecting Traditional Knowledge, Innovations and Practices, Geneva, 30 October - 1 November.
- Statistics New Zealand and Ministry for Culture and Heritage (2006) *Cultural Indicators for New Zealand 2006: Tohu Ahurea Mō Aotearoa*. Wellington: Statistics New Zealand.

- Tauira01 (2007) 'Does Maori Culture Have Any Value?' Web-based forum initiated by an anonymous member of the maori.org.nz website. Accessed 3 July 2008 at http://www.maori.org.nz/papa_panui/forum_topic.asp?cat_id=4&FORUM_ID=13&TOPIC_ID=4035&Topic_Title=Does+Maori+culture+have+any+value%3F&Forum_Title=Information%2C+Questions%2C+Requests.
- Tremewan, C. (2002) 'Why Catch the Knowledge Wave' Accessed 18 July 2008 at www.knowledgewave.org.nz/index.php?fuseaction=template&content=knowledge%20wave&heading=society.
- UNESCO (2001) *UNESCO Universal Declaration on Cultural Diversity*. Accessed 31 July 2008 at <http://unesdoc.unesco.org/images/0012/001271/127160m.pdf>.
- Williams, D. (2001) *Matauranga Maori and Taonga: The Nature and Extent of Treaty Rights Held by Iwi and Hapu in Indigenous Flora and Fauna, Cultural Heritage Objects, Valued Traditional Knowledge*. Wellington: Waitangi Tribunal. Accessed 17 July 2008 at www.waitangi-tribunal.govt.nz/resources/researchreports/wai262/matauranga.asp.
- Young, D. (2007) *Keeper of the Long View: Sustainability and the PCE*. Wellington: Parliamentary Commissioner for the Environment.