

**Contribution to the NZ Treasury
Discussion Paper on**

**"The Start of a Conversation
on the Value of New Zealand's
Social Capital"**



Contribution by
Loneliness New Zealand Charitable Trust

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Context

This report is a contribution to the Living Standards Framework and the NZ Treasury **Discussion Paper**:

Frieling, Margreet (2018), "The start of a conversation on the value of New Zealand's Human Capital", *Office of the Chief Economic Adviser Living Standards Series: Discussion Paper 18/04*, NZ Treasury, February.

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1. Framing Private and Public Social Capital

By way of background, the Treasury appears to have had a significant change of view about the definition of Social Capital between December 2017 and the Discussion Paper in February 2018. In December 2017, Treasury (Ng 2017, p. 12) wrote:

There is no international standard for estimating social capital and its definition is highly contested. Our approach is to draw strands of work together in a working definition that supports policy. Thus social capital is:

- Networks, attitudes and norms promoting coordination and collaboration between people;
- Individuals' social connections that provide emotional, instrumental and informational support.

These two strands of Social Capital would become what are termed Public Social Capital and Private Social Capital in the Discussion Paper. The Discussion Paper suggests defining Social Capital as follows (p. 10):

Social capital refers to the social connections, attitudes and norms that contribute to societal wellbeing by promoting coordination and collaboration between people and groups in society.

This definition includes Public Social Capital (i.e. societal wellbeing) but excludes Private Social Capital (i.e. individual wellbeing). As a consequence, this definition is quite different to the working definition from December 2017 that defines Social Capital to include both Private and Public Social Capital.

Private Social Capital as set out in the Discussion Paper

According to the Discussion Paper (p. 3)

Private Social Capital focuses on the structural positions of individuals within social networks and how these positions help individuals to "get by" and "get ahead", by providing access to information and other available resources within those networks.

Not all Private Social Capital is beneficial to society. In particular, the Discussion Paper (p. 8) notes:

...many forms of Private Social Capital have positive spin-off effects on collective wellbeing outcomes. However, private forms of Social Capital do not always contribute to societal wellbeing. They can be exclusive and result in negative societal wellbeing outcomes if the connections and pro-social norms within the group are not accompanied by broader connections and pro-social norms towards others in society (Portes, 1998).

The Discussion Paper (pp. 8 and 9) notes:

Private Social Capital is "only accessible to individuals within the particular group or relationship in which it resides"... Private Social Capital can therefore

be described as a double-edged sword. In contrast with all of its positive outcomes, it can also trigger mechanisms of social exclusion when the lack of certain types of social connections systematically excludes people from opportunities and resources that are normally available to others in society, including access to adequate housing and secure employment.

Public Social Capital as set out in the Discussion Paper

According to the Discussion Paper (p. 4) Public Social Capital focuses on the norms and values in communities and societies that lead to collective benefits by facilitating coordination and collaboration between members.

The Discussion Paper (pp. 5 and 6) notes:

“The idea that generalised trust and the shared norms that result from social and civic participation lead to beneficial societal wellbeing outcomes has been supported by a broad range of empirical work”

“In summary, at a societal level, the literature suggests that Social Capital is associated with better economic and democratic performance, better educational outcomes and a healthier and safer society”.

Furthermore (p. 8):

Public Social Capital, by definition, carries benefits for all members of society. The benefits of Public Social Capital are non-exclusive. Non-participant third parties, so-called free-riders, still benefit from collaborative networks between others; for example, through lower crime incidence, a more efficient economy and a better functioning democracy.

Our view of the portrayal of the two types of Social Capital

In our view, it is inappropriate to paint Private Social Capital in both a positive and negative light, while portraying Public Social Capital only in a positive light. The reality is that both of these (and other Capitals) can have negative aspects.

The very fact that the Discussion Paper highlights that “so-called free-riders” benefit, shows that there are perverse outcomes to Public Social Capital. Additionally Putnam (2002) described a situation that as a result of how the American government handled the Anthrax crisis and the start of the Afghanistan war, there was overall increased trust in the government by US citizens. However, the trust of the Arab ethnic minority was lowered, as was the general attitude to immigration.

The ‘lack of certain types of social connections’ (e.g. between criminal gangs and society), and the increased discrimination against any minority group, is an argument for why *all* social connections are important.

Attention needs to remain on what *positive* can be gained from both of these aspects of Social Capital, and what they collectively bring to the Social Capital table.

As the benefits of social connections far outweigh the negative this is where we place emphasis.

From a public policy perspective, the Discussion Paper does bring out the importance of Private Social Capital. For example (p. 4):

The importance of social connections to individual wellbeing is relevant to public policy. The intrinsic value of higher wellbeing for New Zealanders is reflected in the Treasury's vision statement. In addition, well-connected people – because of their more beneficial wellbeing outcomes – are less likely to require assistance from the (publicly funded) health and welfare system. Instead, they are better able to contribute to the public system, through civic engagement and tax remits.

Increasing social connections of *all* the population gives greater access to opportunities and resources for more people. Fostering, measuring and monitoring Private Social Capital would ensure more equitable access to the likes of adequate housing and secure employment.

Increasing meaningful social connections increases social skills, which include reciprocity, trust, and cooperation and the individual's ability to self-regulate. **While increased social skills might ordinarily start as benefiting individual relationships only, there is no doubt that benefits accrue to positive Public Social Capital.**

2. Implicit assumption in the Discussion Paper

The Discussion Paper makes the following implicit assumption:

[Social connections are not important for societal wellbeing](#)

While the assumption is not explicitly stated in the Discussion Paper, it is *implicit* in the conclusions made in the Discussion Paper (e.g. the lack of examples of public policy issues related to social connection, and not proposing any social connection indicators).

The Discussion Paper notes the benefit of social connections for individual wellbeing (p. 4):

"It is widely recognised that social connections are important for the wellbeing of individuals".

We agree with this wholeheartedly. However the Discussion Paper does not directly address that social connections are important for societal wellbeing. On the other hand:

We believe social connections are the very basis of societal wellbeing. Society is a group that relies on many individual people making social connections through using good social skills, and self-regulation. If there are no social connections being made, there is no society. If there is no society, there is no societal wellbeing.

Consistent with this view, the Discussion Paper (p. 22) notes:

“communities do not join the PTA or enlist in farming organizations, parents and farmers do”.

To the extent that there are social groups that are ‘bad’ for society, the negativity they create can be picked up in other contra-indicators – such as the level of crime.

3. The need for social connection indicators within the Living Standards Framework

With the redefinition of Social Capital to leave out Private Social Capital, it was proposed in the Discussion Paper (p. 10) to “capture the importance of Private Social Capital as part of individuals’ wellbeing function in the Treasury LSF...”.

What this means, although not explicitly stated, is that Private Social Capital should be part of Human Capital. However, the corresponding Human Capital Discussion Paper does not include Private Social Capital. For example, it proposes Human Capital be defined (Morrissey 2018, p. 2):

[A]n individual’s skills, knowledge, mental and physical health that enable them to participate fully in work, study, recreation and in society more broadly.

This definition includes mental and physical health, but excludes social health. Social health is how individuals get along with other people, how other people react to the individual, and how individuals interact with society. So given the Human Capital definition does not include social connectedness or Private Social Capital, Private Social Capital is not included in the Living Standards Framework.

Furthermore, when combined with the implicit assumption that ‘social connections are not important for societal wellbeing’, the Discussion Paper (together with Morrissey 2018) explicitly or implicitly arrive at the following three conclusions:

1. Social connection indicators are not part of Human Capital.
2. Social connection indicators are not part of Social Capital.
3. Social connection indicators are not part of the Living Standards Framework.

However, we do not accept that these explicitly or implicit conclusions are an appropriate way to move forward.

We believe **social connections create individual wellbeing AND societal wellbeing.** Therefore, social connections underlie Social Capital: both Private Social Capital and Public Social Capital. If Private Social Capital is defined to be part of Human Capital and Public Social Capital is defined to be Social Capital, then social connections are part of Human Capital and form the underlying basis of Social Capital.

Given the importance of social connections to individual and societal wellbeing, we believe social connections indicators must be part of the Living Standards Framework.

4. Should social connectedness indicators be classified in Human Capital or Social Capital?

If social connectedness is part of Human Capital and underlies Social Capital, then any indicators of social connectedness will be included in both Human Capital and Social Capital. However, the structure of the Living Standards Framework – it is assumed – is to include indicators in only one of the Capitals. As the Treasury (Ng 2017, p. 4) writes:

“There are many possible ways to organise wellbeing into domains. What matters is that the framework can find somewhere to include all the relevant indicators.”

So, given that we are reinforcing the necessity to include social connectedness indicators, should these be classified in Human Capital or Social Capital?

Our view on deciding where social connectedness indicators reside in the Living Standards Framework is to ask which Capital relies more on social connections. The answer to this question is relatively simple. Social connectedness provides the very underlying basis of Social Capital whereas it is only part of Human Capital. In particular, if there are no social connections there is no Social Capital. For example, the proposed dimensions of Social Capital in the Discussion Paper (i.e. civic engagement, generalised trust, strength of national identity, and trust in institutions) are only possible with social connections. If there are no social connections, there is no civic engagement, no generalised trust, no national identity, and no trust in institutions.

Therefore, **social connectedness indicators should reside in Social Capital.**

5. Redefining Social Capital

If for the integrity of the Living Standard Framework we have chosen that social connectedness indicators be classified in only one of the Capital's (i.e. Social Capital), then for consistency of the framework we should classify all social connectedness to be part of Social Capital. Therefore, Private Social Capital should be part of Social Capital, not Human Capital.

We suggest two approaches to redefining Social Capital to include both Private and Public Social Capital:

1. Revert to the definition of Social Capital that the Treasury was using in December 2017.
2. Use the OECD (2001, p. 41) definition of Social Capital: "[N]etworks together with shared norms, values and understandings that facilitate cooperation within or among groups." This has the advantage that it is consistent with the Treasury proposal that the Living Standards Framework be based on The OECD "How's Life?" reports.

Both definitions capture both Private Social Capital and Public Social Capital. That is, **Private Social Capital is classified as part of Social Capital, not part of Human Capital.**

6. What should the social connectedness indicators be within Social Capital?

The natural question to now ask is what should the social connectedness indicators be within Social Capital.

The 2013 OECD Measurement of Social Capital Project and Question Databank documents include social capital questions that can be conceptualised and measured. These include personal relationships and social network support, as well as civic engagement and trust and co-operative norms. Some of these questions have been taken from the NZ General Social Survey in 2010.

We are also fortunate to have some detailed statistical work from Stats NZ.

Many social variables are collected biannually by Stats NZ in the General Social Survey. In particular, Stats NZ, as part of the General Social Survey 2012, undertook a statistical analysis of social indicators to establish which are most strongly associated with wellbeing in the New Zealand population. They reported (Stats NZ 2013):

"A large body of international evidence shows that self-reported life satisfaction is a credible approach to measuring the well-being of a population. Given the policy interest in maximising people's well-being, there

is a need to better understand what makes people satisfied with their lives. To inform this report, we used a logistic regression model to look at the aspects of life most strongly associated with overall life satisfaction. The advantage of using regression analysis is that it holds other factors constant, while looking at the association between the likelihood of feeling 'satisfied' or 'very satisfied' with life and the factor of interest."

Stats NZ found that four indicators in the regression model showed the strongest independent relationship across the New Zealand population with overall life satisfaction: health, wealth, **not feeling lonely**, and housing (see figure 1).



Source: NZ General Social Survey 2012 – Data Quality

Figure 1: Four key aspects of wellbeing in NZ

These aspects of wellbeing are so strong that Stats NZ used them in their report for the General Social Survey 2016.

Stats NZ took the life satisfaction scale, which runs from 0 and 10, and labelled those participants with a self-assessed life satisfaction of 0-6 as 'low overall life satisfaction' and the others with a self-assessed life satisfaction of 7-10 as 'high overall life satisfaction'. Each participant in the survey could have a good outcome for 0 to 4 of the four key aspects of wellbeing. For all participants who had none of the key aspects of wellbeing, Stats NZ looked at the proportions with low/high overall life satisfaction. They repeated this for all participants with 1, 2, 3, and finally 4 key aspects of wellbeing. The results are shown Figure 2.

Quite remarkably, for any individual with good outcomes for all four of the key aspects of wellbeing, they are almost certainly (96.7%) likely to have 'high overall life satisfaction'. In other words, these four social variables strongly predict wellbeing of the New Zealand population. Given the relationship, Stats NZ noted that

the “four aspects of life have a strong relationship with well-being in New Zealand” (Stats NZ 2017).

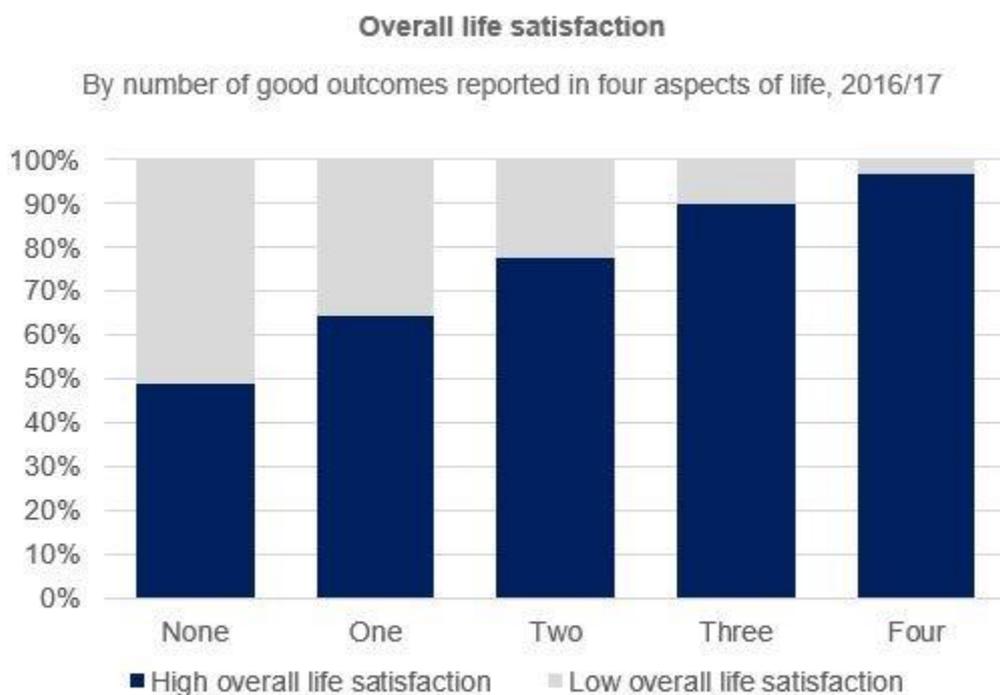


Figure 2: Overall Life satisfaction

Of the four key aspects of wellbeing, one of these indicators (*not feeling lonely*) is associated with social connectedness. We strongly recommend that, at the very least, this indicator (and preferably other social connectedness indicators) be included in Social Capital to capture social connectedness.

Furthermore, given that without social connection there is no society, there is no societal wellbeing, and there is no Social Capital, we recommend that this ***Not feeling lonely*** indicator be the primary measure of Social Capital – with a ***higher weighting than the other indicators***.

7. Importance of the *not feeling lonely* indicator

Individual wellbeing is a subjective phenomenon (i.e. it is in the minds of the individuals of society). The best way to measure a subjective phenomenon is using subjective indicators (e.g. self-reported life satisfaction). And, in the first instance, the best drivers underlying a subjective phenomenon are themselves likely to be subjective (e.g. self-reported health, self-reported wealth, self-reported not feeling lonely, and self-reported housing).

Not feeling lonely is a particularly useful indicator, because it is subjective. Loneliness, like hunger, thirst, and pain, is a psychological phenomenon that encourages us to act. In this case, we have evolved the feeling of loneliness to encourage us to build social connections so that we could survive in early times when acting as a group was critical. To survive, these social connections needed to be more than superficial; so we could call on the group in times of need.

The subjective indicator of *not feeling lonely*, regardless of whether family and friends are around, determines whether each person feels that they have a sufficient mix of quality and quantity social connections for their wellbeing. The proposed *not feeling lonely* indicator 'automatically' makes the trade-off between the quality vs. quantity of social connections.

At a population level, the *not feeling lonely* indicator implicitly includes the proposed measurement dimensions of civic engagement, generalised trust, strength of national identity, and trust in institutions. An advantage of the population-level *not feeling lonely* indicator is that it is already being collected by Stats NZ, so there is a historical data series. It is also being collected in the same survey (New Zealand General Social Survey) as the other proposed Social Capital indicators.

As the Discussion Paper (p. 22) notes

"Accordingly, the social capital indicators that are proposed below focus on the individual behaviours, attitudes and norms that, at the aggregate level, constitute social capital."

Therefore like the other indicators, **the *not feeling lonely* indicator uses a self-reporting individual measure that at the aggregate level constitutes Social Capital.**

8. Specific feedback on the Discussion Paper

The Discussion Paper concluded that: "Feedback on all aspects of this paper is very much welcomed to help further develop the Treasury's conceptual framework for social capital and its measurement as part of the LSF" (p. 25). We have provided some of that feedback above.

Additional points we make are on the three main points where specific feedback was requested; and around monetising social capital.

[First Point relating to the international research, and the invitation to consider social capital mechanisms specific or unique to the New Zealand cultural context.](#)

Our response: There is good quantitative research from New Zealand which should be used to frame Social Capital.

In particular, the 'four aspects of wellbeing' from Stats NZ (2013, 2017) is an important source, which shows at the population level the key aspects of wellbeing.

For background information, there are several articles in the past year on social connectedness and loneliness in New Zealand. In particular, Wright-St Clair et al (June 2017), Jamieson et al (March 2018), Saeri et al (April 2018).

Second Point relating to the key enduring policy questions about Social Capital in New Zealand.

Our response: Without social connection, there cannot be society, there cannot be Government and, so, there cannot even be public policy issues. The Discussion Paper (p. 24) explained why no indicators of social connections were included:

"The rationale behind [not including social connections indicators] is that it is very difficult to draw conclusions about public social capital based on the measurement of social connections."

In our view this statement is incorrect. We provide twelve important examples of public policy issues related to social connections. For each of them, there is a clear line of connection between the measurement of social connections and Public Social Capital.

1. **Public policy issue: Democracy:** A key public policy issue is the function of democracy. Democracy requires people to work together; loneliness undermines our ability to work together. Therefore social connection indicators such as *not feeling lonely* are associated with increases in democracy.

In particular, the Discussion Paper quotes Paxton (2002, p. 272), who concluded: "Only when approximately 50 percent of the population is trusting do increases in associations lead to increases in democracy." Since New Zealand is a high-trust nation, increases in associations (and, therefore, more social connection) increases democracy. It is therefore important to track and make decisions with respect to social connection as a proxy for improving democracy.

2. **Public policy issue: Cohesive society:** For social order and function, it is important that New Zealand have a cohesive society. According to the Discussion Paper (p. 2):

"The underlying principle of the capitals framework is that good public policy enhances the capacity of natural, social, human, and financial and physical capital to improve wellbeing for New Zealanders. In the Treasury's view, this means that, in good policy, the capital stocks...allow for a cohesive society".

However, the proposed Social Capital measurement dimensions of civic engagement, generalised trust, strength of national identity, and trust in institutions are unlikely to correspond to a cohesive society if everyone is feeling lonely. Therefore, there is a need for the *not feeling lonely* indicator.

3. **Public policy issue: Inclusive and equitable society:** Social exclusion and non-equity are major public policy issues. The Discussion Paper (p. 9) notes:

“In contrast with all of its positive outcomes, [Private Social Capital] can also trigger mechanisms of social exclusion when the lack of certain types of social connections systematically excludes people from opportunities and resources that are normally available to others in society, including access to adequate housing and secure employment. Social exclusion prevents individuals or communities from participating fully in the economic, social and political life of their society.”

To create an inclusive and equitable society, it is important everyone has the social connections to get ahead. Therefore, there is a need for social connection indicators to encourage an inclusive and equitable society. Loneliness can result from other people’s excluding and discriminatory behaviour (e.g. bullying).

4. **Public policy issue: Protecting the vulnerable in society:** A key public policy issue is protection of the vulnerable in society. In this respect the *not feeling lonely* indicator captures in one social variable a measure common to almost all vulnerable groups in our society. For example, the most lonely groups (aged 15+) in New Zealand in descending order are: disabled, recent immigrants, low income households, unemployed, single parents, rural South Island, seniors aged 75+, adults not in the labour force, and young adults aged 15-24. An indicator such as *not feeling lonely* supports public policy for protecting the vulnerable in society.
5. **Public policy issue: Community functioning:** It is important for public policy that communities function. As individuals over the last forty years have had less time for social connection outside of work and family, community has suffered. Ultimately, if there is no social connection, there is no community. So it is imperative to track social connectedness and judge policies against this measure to ensure communities can function. Poor community functioning can exacerbate loneliness; as well as loneliness can hamper community functioning.
6. **Public policy issue: Loneliness ‘epidemic’:** According to Smith (2015, p. 161): “Loneliness may well be New Zealand’s next big public health issue.” By directly measuring and monitoring the *not feeling lonely* indicator, policies can be developed before loneliness becomes “New Zealand’s next big public health issue.”
7. **Public policy issue: Public mental health:** Recent research (Saeri et al, “Social connectedness improves public mental health...” April 2018) has shown a **causal** relationship from lack of social connectedness to subsequent

psychological distress. Mental (ill-)health was operationalised as psychological distress. In particular, the research data indicates 15% of New Zealanders that have a lack of social connectedness being in psychological distress a year later). Therefore, from a policy perspective, it is imperative to measure, monitor, and make decisions with respect to social connectedness – since poor social connectedness drives increasing costs to the mental health system; and in some cases leads to suicide. Given how stretched the mental health system current is, by measuring *not feeling lonely* policymakers can then focus on policies that prevent loneliness and provide an early intervention for mental health issues.

8. **Public policy issue: Public physical health:** While it is not too difficult to imagine that loneliness has mental health effects, it may be more surprising that loneliness has physical health effects too. Loneliness, not social network size, predicts increases in systolic blood pressure (Hawkley et al 2010). Loneliness is associated with the metabolic syndrome (Whisman 2010); a cluster of factors that have been shown to increase risk for cardiovascular disease, diabetes, and stroke. Consistent with these findings, a meta-analytic study found that poor social relationships (i.e. social isolation and/or loneliness) were associated with a 32% increase in risk of stroke and a 29% increase in risk of incident coronary heart disease (Valtorta et al 2016); although another study found the increases to be lower (Hakulinen et al 2018). Furthermore, loneliness raises the levels of the stress-sensitive hormone cortisol (Doane & Adam 2010) and some immune cell types are transcriptionally sensitive to loneliness (Cole et al 2011). Researchers have found that the fully adjusted effects of loneliness give rise to a 26% increase in the likelihood of premature mortality (Holt-Lunstad et al 2015). This has a parallel to the findings last century that there was a higher mortality rate for children in orphanages with little personal contact (Holt-Lunstad et al 2010). Given the pressure on the public health system, by measuring *not feeling lonely* policymakers can then focus on policies that prevent loneliness and provide an early intervention to reduce physical health issues.
9. **Public policy issue: Social connection:** Government decisions have direct impacts on social connection. NZ Herald columnist and Registered Psychotherapist Kyle MacDonald (2018) wrote:

“For me, it's the small examples that speak volumes. Government funding for night class programmes was cut in 2010. This was a valuable institution for many, and while it often had no measurable economic value, learning photography, how to cook, or a second language was about furthering an interest. It was also a way to meet and spend time with people from many different walks of life.

We are also increasingly seeing government departments cut the number of physical offices, and replacing them with online "portals" and increased staff at 0800 numbers. Yet that distance and lack of physical relationship creates problems – think the rising distrust and problems with WINZ, and Housing New Zealand.”

If the Living Standards Framework had been in place with social connection indicators, there is a greater chance that the Government may have chosen not to stop funding of night classes – which was a useful means for the New Zealand population to connect, and feel less lonely. This compares to the proposed indicators of Social Capital in the Discussion Paper, which would not have provided any constraints on the decision to stop funding night classes.

10. **Public policy issue: Social isolation of the elderly:** Social isolation is a serious public policy issue for the elderly. The issue particularly arises for seniors 75+ and is most prevalent in women (since they frequently out-survive their partners). The awareness of this problem has been raised through the New Zealand media, with about 35 articles, interviews, and media releases on social isolation and loneliness of the elderly in the past year. Social connection indicators support public policy for minimising social isolation and loneliness of the elderly.
11. **Public policy issue: Bullying and harassment:** Bullying and harassment isolates members of society. These members are sometimes further isolated when they report bullying or harassment by a more powerful member of an organisation; and the organisation isolates and attacks the complainant to protect the more powerful member or the perceived reputation of the organisation. The *not feeling lonely* measure captures the loneliness of this social isolation, which is a consequence of poor behaviours that affect Social Capital.
12. **Public policy issue: Individual wellbeing:** While the Government may focus on societal wellbeing, for each individual in society it is individual wellbeing that matters. It would be heartless of Government not to think individual wellbeing is important. Like societal wellbeing, individual wellbeing arises through social connections. By incorporating social connection indicators into Social Capital, the Government has the added bonus of not only tracking and seeking to lift societal wellbeing – but also tracking and seeking to lift individual wellbeing.

In summary, each of the public policy issues discussed above is either partially or fully covered by the *not feeling lonely* indicator. On the other hand, the proposed Social Capital indicators only cover a few of the example public policy issues that have been raised.

[Third Point on the validity of the proposed indicators for the measurement of Social Capital, as described in Section 5.](#)

Our response: As already outlined, we believe the primary indicators for measurement of Social Capital should be social connectedness measures. We recommend the *not feeling lonely* indicator – surveyed by Stats NZ – as a robust social connectedness measure. While the proposed indicators of Social Capital have validity, they do not capture the underlying basis of society and Social Capital: which is social connection.

Monetising Social Capital

The Discussion Paper (p. 22) notes

“This ability for comparison of capital stocks has since been extended to natural and human capital by monetising the value of these capitals. While it may be possible to put a dollar value on (types of) social capital to aid comparison with other capitals, it is questionable whether this approach would be necessary or appropriate to provide the required policy insights.”

Policy insights are important. Taking action is another matter. Making public policy effective requires Social Capital, including social connectedness; and trust that public resources are well-planned and well-managed to make a positive impact on our lives. Therefore monetising Social Capital is crucial for the appropriate planning, and accountability, of government spending. Without monetising Social Capital, projects that would benefit society such as intervention measures to minimize poor social health, and thereby conquering loneliness in New Zealand, are at risk of lagging behind other competing (but less beneficial) initiatives.

Monetising Social Capital will ensure important public policy issues related to social connectedness are considered by Government when making resource allocation decisions. This will ensure all the Capitals are monetised and are consistently being assessed in the Living Standards Framework. Furthermore, it will complete the public accounting component of the Living Standards Framework.

As an example of how social connectedness can be monetised, we point you to: The Cost of Loneliness to UK Employers report. It was launched jointly by the Co-op and New Economics Foundation [2017] and issued in conjunction with the Jo Cox National Commission on Loneliness. The report puts the cost of loneliness to employers in the UK at £2.5 billion a year. This report shows that it is possible monetise Social Capital and, in particular, social connectedness.

9. Recommendations

To conclude, we recommend that:

1. There needs to be indicators of social connectedness within Social Capital, since social connectedness forms the underlying basis of Social Capital.
2. The definition of Social Capital be redefined to include Private Social Capital and Public Social Capital.
3. One of the social connectedness indicators needs to be the proportion of respondents who have ‘none of the time’ felt lonely in the last four weeks when asked the standard loneliness question in the General Social Survey 2014 and 2016.

4. The social connectedness indicators should be the primary measures of Social Capital, since the other proposed dimensions of Social Capital cannot occur without there first being social connection.
5. We recommend that Social Capital be monetised – as is being undertaken for Natural Capital and Human Capital.

Contact for further information

We would be happy to elaborate on the issues raised in this contribution if required. We can be contacted via email cathy.comber@loneliness.org.nz or by phone on 0800 LONELY.



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“Conquering Loneliness in New Zealand”

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