



18 June 2010

Since the New Zealand Institute's release in March of the NZahead Report Card, a variety of work has been progressing.

New Zealand Economy – emerging conclusions

A discussion paper on New Zealand's economic strategy has been drafted and is scheduled for release in August.

The emerging conclusions:

- The New Zealand economy has underperformed because commodity exports and tourism are not a sufficient basis for prosperity, and New Zealand has not been successful in internationalising differentiated goods and services businesses.
- New Zealand has an opportunity to improve labour productivity, the main driver of economic prosperity. The opportunities arise because New Zealand has pursued economic strategies that differ from those of other more successful advanced economies .
- Efforts to lift labour productivity should be focused on firms that export differentiated goods and services and at the internationalisation stage of those firms' development
- Efforts to transform the New Zealand economy should include focusing on expanding exports of differentiated goods and services: ICT and niche manufacturing, as well as value-added primary goods and differentiated goods and services based on agricultural technology.
- There are extensive opportunities to help emerging exporters overcome New Zealand's size and distance barrier that other countries have taken but New Zealand has not.

An opinion piece '[A skills agenda for prosperity](#)' based on the project research was released in May. It proposed a high-skills development agenda to lift New Zealand's economic performance. A slide presentation '[Opportunities to improve New Zealand's talent](#)' provides more information.

New Zealand's innovation ecosystem

Following the publication of '[Standing on the shoulders of science](#)' we have been working to encourage adoption of the proposals made, and to further specify policies that will improve innovation outcomes.

As part of the project we are working with the Ministry of Economic Development and Statistics New Zealand to identify and describe the New Zealand firms that are research and/or export driven so we can estimate the managerial, governance and capital resources that will be required to ensure their success.

The innovation project is coming to the same conclusion as the economic strategy project; that lifting the internationalisation success of New Zealand firms should be the economic development priority.

One of the proposals from Standing on the shoulders of science is to "establish a more supportive culture". To help build a better culture in the innovation ecosystem we have identified success behaviours we believe should be encouraged in relevant education courses and by institutions that support the development of innovative businesses. That communication will be circulated to relevant institutions soon. Meanwhile take a look at the '[Behaviours to ensure business success](#)' recommendations.

Economic growth agenda through an environmental lens

Rick Boven opened the Environmental Defence Society conference with a [speech](#) in June. He began by distinguishing economic and environment lenses. The environment lens was then used to examine the goal of Government's growth agenda, lifting GDP per capita to match Australia. Each of the six elements of the growth agenda were then examined using the environment lens to identify economic opportunities that are being missed and environment risks that should be given more prominence.

Welfare Working Group

The Welfare Working Group held an introductory conference on 9 and 10 June 2010. Rick Boven presented to a session titled '[Future-proofing the benefit system](#)'. The speech built on content developed in preparation for a New Zealand Institute project on social issues and their management in New Zealand. Rick provided some guidelines and principles for policy development arguing that benefits should not be considered on a standalone basis but as part of the way society addresses social issues. The presentation does not include the spoken content but should give a good guide to the messages conveyed.

NZahead report card

The launch of [NZahead](#) on March 31 was very successful with good attendance across sectors generating lively discussion. Media coverage was extensive and feedback is overwhelmingly positive.

The NZahead project is the first for the Institute where the primary means of communication is online and that has allowed us to reach more people than usual. Website statistics remain strong with many people using NZahead as an information resource. Data will be updated periodically, the first being in July.

Join the New Zealand Institute on Facebook

The New Zealand Institute has launched a new [Facebook](#) page so you can keep up-to-date on topics relevant to our work and join in discussions with other interested people.

We welcome your feedback

Please send any comments on the newsletter or our work to info@nzinstitute.org

Thank you for your interest in the New Zealand Institute.

Dr Rick Boven
Director