

SECULAR STAGNATION:

Demographic Handbrakes and Opportunities for Regions in Aotearoa

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The 21st century will bear witness to a sea change in population growth, composition and dispersal

Sarah Harper

Demographic Trends and Implications for Employers

Mercer, 2013



CHALLENGES FOR NEW ZEALAND'S REGIONS

SECULAR STAGNATION

(Declining population growth will inhibit or even depress economic growth)

... Nature is giving us... an incredible austerity measure, a non-fiscal contraction

Paul Krugman
“Secular Stagnation”
November 2014





Rebooting the **Regions**

Why low or zero growth needn't
mean the end of prosperity

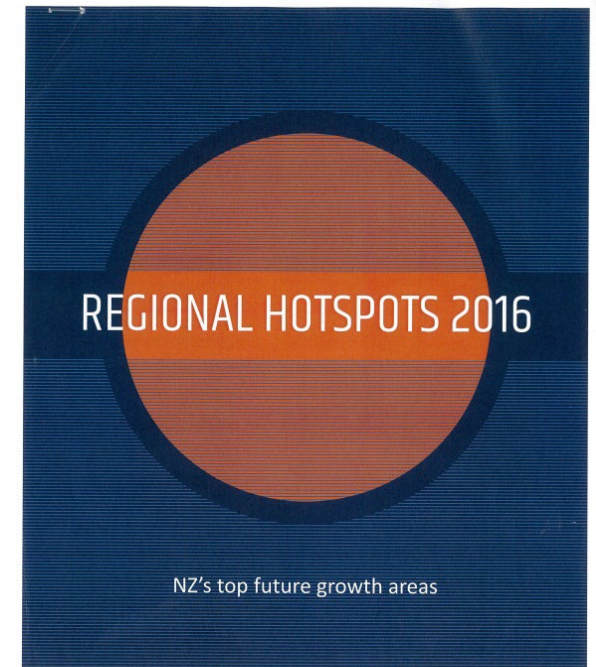
Paul Spoonley
Editor

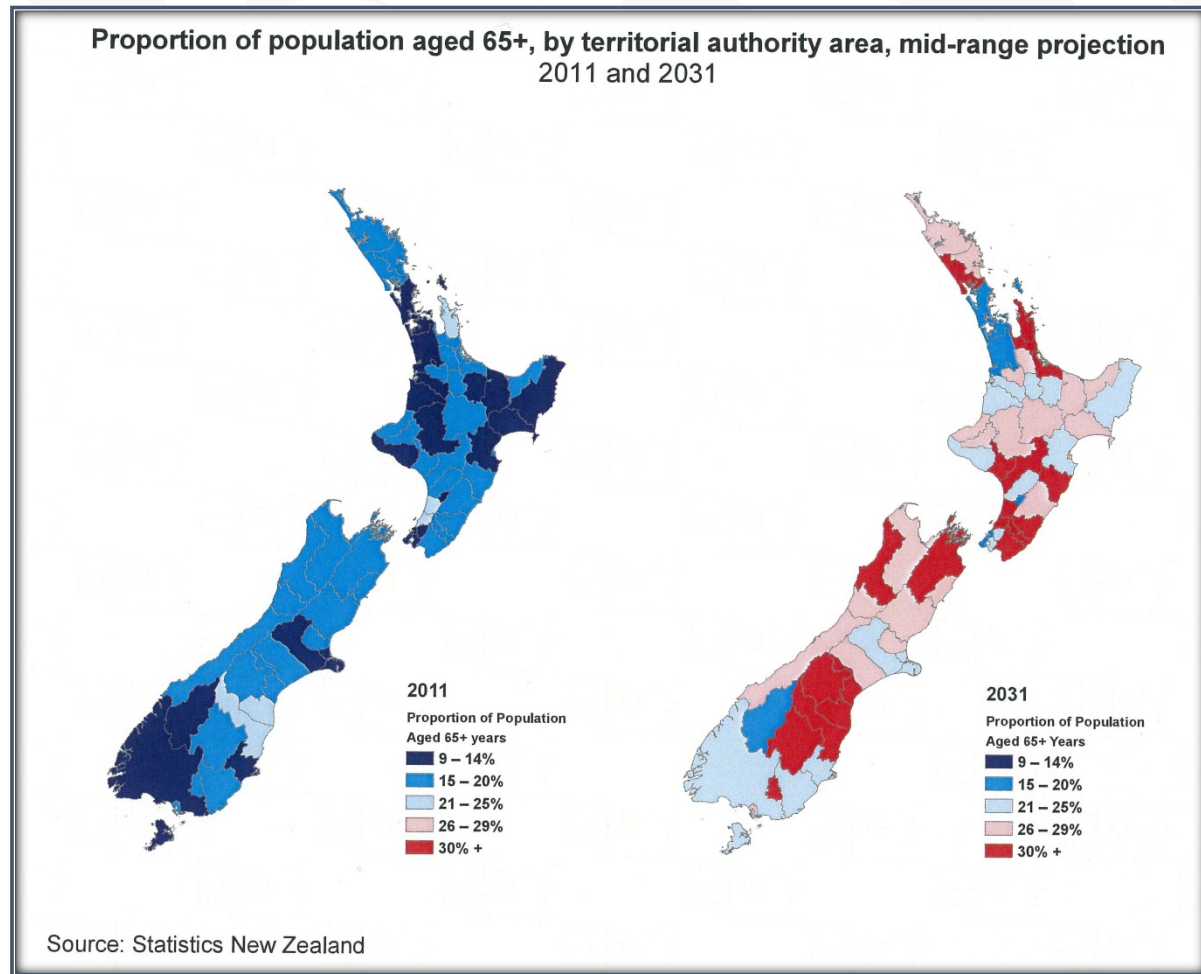
HAWKE'S BAY: AN EXAMPLE OF SECULAR STAGNATION?

- Moderate fertility
- Young adult outmigration
- Modest/no immigration (apart from temporary workers)
- More Māori dominant in younger generations vs Pākehā dominance of 65+

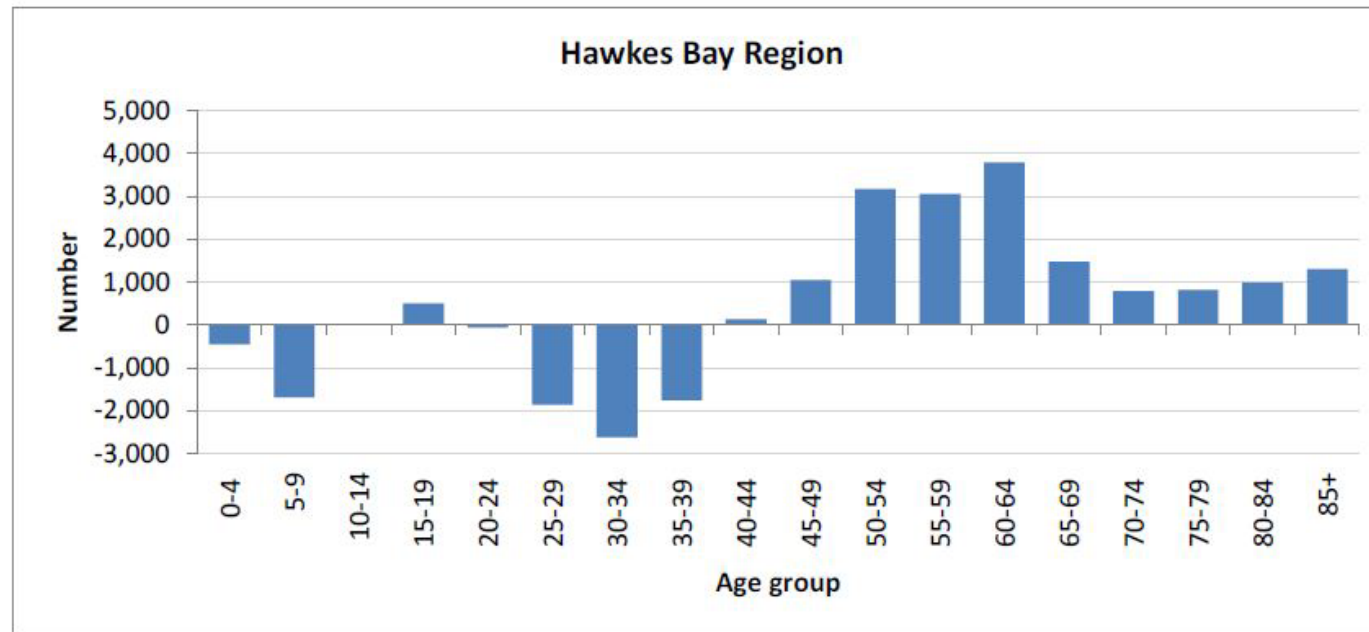
#1 POPULATION STAGNATION: IMPLICATIONS FOR SUSTAINABILITY

- Structural ageing of population (and workforce?)
- Sub-replacement fertility
(2.1 births per woman, now 1.7)
- Delayed births (30 years plus)
- Employment vs children





CHANGE BY AGE (NUMBER), HAWKE'S BAY REGION, 1996-2011



#2 PRIME WORKING AGE: IMPLICATIONS FOR SUSTAINABILITY?

- More 65+ than 0-14 year olds
- Fewer entering workforce – and fewer workers
- Out-migration from regions of young adults

Challenge of future labour and skills supply

HAWKE'S BAY: DEMOGRAPHY AND SKILLS SUPPLY

- Entry/exit ratio (15-24: 55-64 years)
1996 16 : 10
2011 10.5 : 10
- Fewer entrants than exits by 2016
- NEET (2014): 19% (NZ 11.7%)
- Skilled/highly skilled jobs 60.2% (68.8%)
- Māori – 35.4% of 0-14 year olds



WHAT WORKS?

Youth/Young Adults

- Seamless boundaries
 - Kawerau/Matamata-Piako (Silver Fern Farms)

Immigration

- Regional/industrial policies (recruitment)
- Welcoming communities



#3 IMMIGRATION: IMPLICATIONS FOR SUSTAINABILITY?

- Major source of skills supply
(60% approved as skilled immigrants)
- Population replacement
(young, educated)
- Connecting with Asia
- Income (Export Education)



HAWKE'S BAY: IMMIGRATION (PLT)

	ARRIVALS	DEPARTURES	GAIN/LOSS
2013	1386	2417	-1031
2015	1755	1468	+287
2008-13	Net international migration		-3,080
	Net Internal migration		-1,191

For each 100 PLT migrants to NZ, 1.5 end up in Hawke's Bay





Rangitoto College - 2007

Year 12 FM



Back Row: Dannielle O'Hara, Gabriel (Young Jun) Yoo, Linda (Yoon Joo) Hwang, Laura Gilberd, Cathie (Soo-Hyun) Chun
 3rd Row: Vincent (Kit Yeung) Cham, Steven Yuen, Michael Boardman, Cherry (Yuen Ting) Chan, Nadia De Wet, Nathan Spoonley, Simon Robinson, Samuel (Ming Han) Yap-Choong
 2nd Row: Nicholas Vince, Adriaan Liebenberg, Thomas Barlow, Zane Blair, Tom Clayton, Chris Abel, Katie Catchpole, Miss Farmiloe (Teacher)
 Front Row: Martina Vasilevska, Suzanne Bell, Amber Williams, Veronika Skrvpal, Lucy (Dong Qing) Xu, Dahi Choi, Alissa Viritch, Katrina Hailstone

IMMIGRATION: LOCAL CHALLENGES

- A regionally/city specific immigrant approach?
- A greater role for employers?
- Welcoming communities/employers?
- Reflecting diversity in community/
institutional practice



HAWKE'S BAY: IMMIGRATION

- A regionally specific immigrant approach?
- A greater role for employers?
- Welcoming communities/employers?

The Hastings District is blessed with an abundance of natural resources, a strong cultural history, a fabulous climate, an easy lifestyle and good community infrastructure. Our future success depends on making the most of these strengths.

People love living here.



#4 REGIONAL DIVERGENCE: IMPLICATIONS FOR SUSTAINABILITY?

- Two-thirds of regions will experience population stagnation or decline
- Agglomeration effects (Auckland)
- Immigration + fertility + ageing



HAWKE'S BAY: SKILLS POLICIES

- Identifying future skills requirements
- Industry co-ordination?
- Education/training co-ordination?
- Alignment between employers and education/training agencies?



HAWKE'S BAY: SILVER ECONOMY/COMMUNITY

Strategic planning for demographic ageing?

- Centrality of ageing and social/economic opportunities

Public facilities for later life?

- Leisure, transport, health, education, care

Ageing as an economic opportunity?

- Training, older entrepreneurship, investment, consumers

Noord-Brabant, Netherlands

- Independence of older people
- Awareness of ageing
- Development of new products/services

HAWKE'S BAY: A NEW DEMOGRAPHY

- Modest growth in last 3 decades; **slow growth/decline** in next decades
- Nearly all **future growth** in HB will occur at **65+** years
- Maori population (of HB) is 23% but **35.4%** of 0-14 year olds and **26%** of all growth
- **Net migration loss**: 15-24 years of age
- Significant **decline** of natural increase (births/deaths)
- **More elderly** than children by 2021

The ageing of the HB population has been accelerated by the loss of young adults

HAWKE'S BAY FUTURE

- **Innovation:** skills, capital investment and science/technology availability
- **Collaboration:** business/sector clusters
- **Smart specialisation:** competitive strengths, capabilities
- **Māori economy** (Mahi Awatea)

He tangata, he tangata, he tangata

PEOPLE AND PLANNING CHALLENGES

- What are your “people” policies?
- How do you deal with population stagnation?
- What are the long-term economic trends?
- Do you have “smart” decline policies?

