

New Zealand population dynamics before and after WW1

Keith Rankin, 28 April 2015

Studies of populations and migrations commonly use the term 'safety-valve' to describe opportunities that relieve population pressure in particular places. One example is 'For Spirit and Adventure' by Angela McCarthy, in 'The Heather and the Fern', a 2003 study of Scottish migration and New Zealand settlement edited by Tom Brooking and Jennie Coleman. This study asks: Was this migration a "safety valve or a haemorrhage" for Scotland?

Australia has been commonly regarded as a safety valve for New Zealand from the 1980s, a period of three decades in which the working age population was an unusually high proportion of the total population. The argument is that unemployment in New Zealand would have been significantly higher had this trans-Tasman migration not taken place.

Demographics in New Zealand before World War 1 were unusual in part for similar reasons. The biggest influx by far of British immigrants took place in the 1870s, and these settlers looked substantially to building this country from its 'grass roots' (literally) through rural homesteads and provincial townships. Families which began from the late 1860s (often in the UK before migration in the 1870s) to the mid-1880s grew on the basis of one child every two years until around 1900. Families with 10 plus children were common in and around places like Pleasant Point and Foxton. What role would all those children play?

It's commonly understood in development economics that rural-urban migration is the principal dynamic of accelerated economic growth and industrialisation. The key idea is that the 'marginal cost of labour' on the family (or otherwise traditional) farm is zero. What it means is that, while farm tasks are shared around between family members, when one of these members leave then the farm output does not fall. There is a simple rise of productivity on the farm (unchanged output divided by fewer workers), and the person who leaves is in a position to add to the output of the destination (urban or frontier) economy.

In 1914, these huge first generation families were abundant with adult and adolescent children. Almost all good agricultural land was already settled. Work was available in the cities, but these were still small relative to the scale of rural underemployment that then existed. Further, with a national economic dynamic of rural exports and manufactured imports, the opportunities for industrialisation as a 'safety-valve' for this rural surplus was limited. There was no vast frontier land to New Zealand's east ripe for settlement by New Zealand's rural surplus.

Martial cultures, and venture cultures, develop where there is an increasingly intense level of competition within one's domestic environment. It's what happened in New Zealand in perhaps the fifteenth century when hapu could no longer replicate to fill out their Aotearoa environment, and in which unsustainable hunting of seals meant a new mode of equilibrium economy had to be forged. Likewise Scotland for centuries had been a cradle of men who would wander the world finding economic opportunities in armies, in empire, in engineering projects, and in new frontiers.

The huge willingness to serve king and country on foreign fields can be understood in this context. And while many personal losses unfolded – comparable to those faced by families in Scotland (and many other places) whose children emigrated, never to be seen again by their parents and siblings, never seen at all by many prospective brides – there was little economic loss because the marginal product at home of those who left for war was close to zero. (This was much more so in WW1 than in WW2, and it meant that the need for female labour to cover for the departed men was quite small.)

In the 1920s the population featured many men whose lives were profoundly affected by their adverse war experiences, and many maiden aunts who lived their lives in their parents' households, on the farm

or elsewhere. (The trauma of loss was compounded by the influenza pandemic of late 1918.) Many of the relatively able veterans turned to farming short-lived backblocks' farms that required breaking in, and, with hindsight, never could be profitable ventures. New technology on the dairy farms – especially electricity and milking machines – meant that the much smaller families formed after 1900 would still shed huge amounts of labour to our cities in the late 1920s.

In the Great Depression of the early 1930s, the extant viable farms were once again full of older children and young adults displaced from urban employment. Thanks in large part to progressive growth-oriented policies (as distinct from the preceding austerity policies) from 1934 to 1938, the rural labour surplus was largely absorbed by 1939. Labour shortage in New Zealand was substantial in WW2, unlike WW1.

What might have happened to those men who served, had there been no war? To a large extent they were younger sons of very large rural families. These men would have required alternative ventures, in an era where venture-opportunities were running out. Further, New Zealand demographic experiences, while more extreme than most, were matched in the rest of the Anglo-world, and in substantial parts of industrialising Europe. Was World War 1 a Malthusian event, a demographic corrective as the age of economic expansion was drawing to a close?

I cannot answer that. But I can be sure that the counterfactual to World War 1 would also have involved huge dislocation and distress, as the new global economic system sought to absorb a generation that was born as if expansion could continue (indeed accelerate) forever. While Karl Marx and his subsequent acolytes would have their answers, and we might look to Spain in the 1930s as a nation riven by clashing interests, we can only speculate.

We should speculate though, because we see that too many young people in the world today are entering adulthood with high expectations and diminishing opportunities. These speculative questions need to be addressed, even if they cannot be answered with any degree of certainty.
