



Structural reform

Action and reaction in a small country:
The case of New Zealand

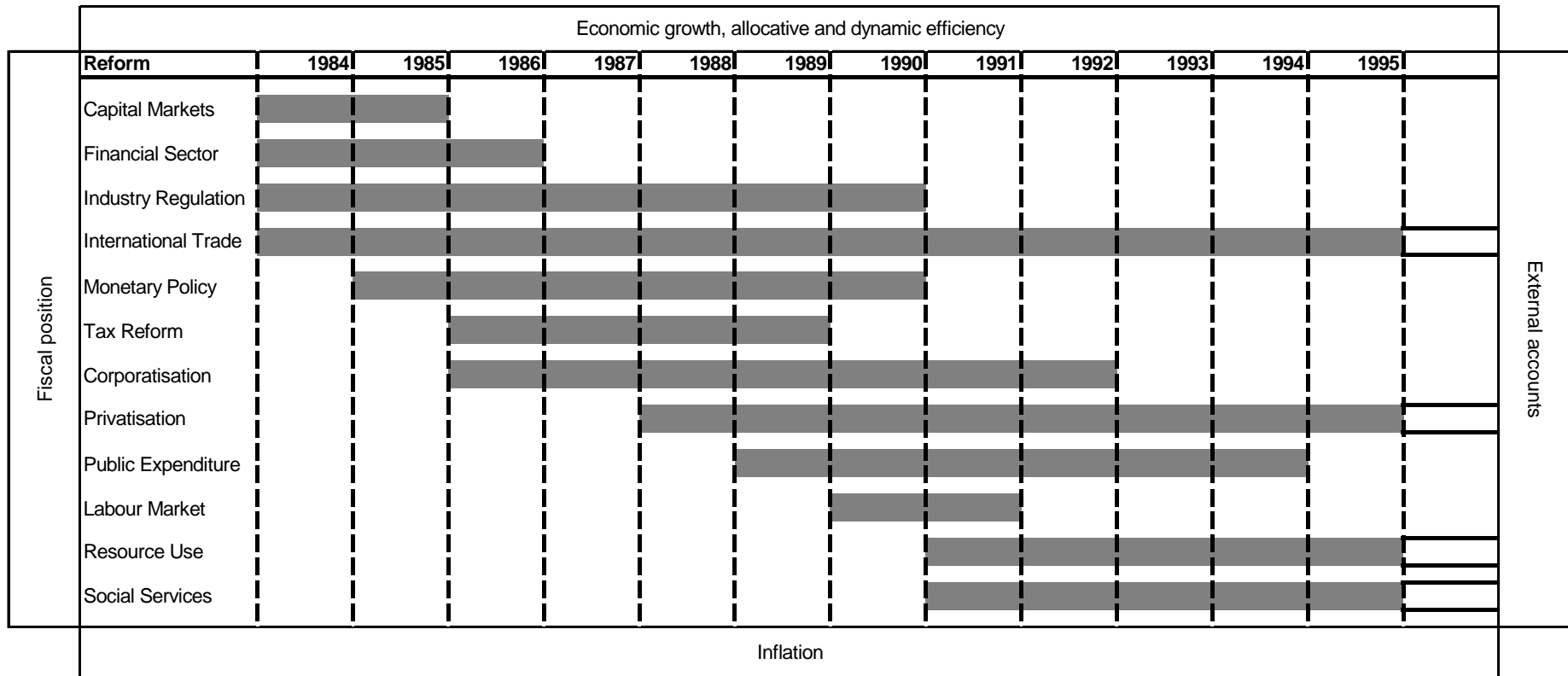
Presentation overview

- The ailing New Zealand economy to 1984
- Treatment regime 1985-1995
- Reflections – treatment effects and prognosis
- Economic trends
- Policy directions

The ailing New Zealand economy

- Potted history
- Interventionism
- Shocks in the 1970s
- Opening the books - 1984

The treatment regime



Reflections

- Attitude change
- Thin markets
- The fog of war
- Attribution and the ongoing debate
- The political backlash

Economic trends

Table 1: Macroeconomic trends

Percentages – annual averages

	Real GDP growth	Employment growth	Unemployment rate	CPI inflation
1965-1975	4.4	2.3	0.3	7.5
1975-1985	1.6	0.5	3.0	13.5
1985-1995	1.8	1.1	7.1	6.3
1995-2005	3.4	2.4	6.1	1.5

Sources: Dalziel and Lattimore 2001, NZIER *Quarterly Predictions*

Microeconomic trends

Figure 1: New Zealand's GDP per capita growth compared to the OECD average

