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**UPGRADING NEW ZEALAND'S HUMAN
RESOURCES**

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UPGRADING NEW ZEALAND'S HUMAN RESOURCES

If there is one area where the public policy debate seems to have moved at a glacial pace in recent times, it's education. The same myths and misconceptions continue to be recycled year after year. There is a tendency to see 'education' as the answer to all problems, from unemployment to race relations. At the same time, there is a quite unwarranted complacency among some of our professional educators about the actual performance of our educational institutions. To hear many of them talk, one would think that there are no real problems that could not be fixed if governments were less mean with taxpayers' money and teacher unions were given more power.

Yet evidence of the mediocre state of much of our education system is everywhere. In the Third International Mathematics and Science Study, New Zealand came 20th out of 26 countries in mathematics, and 16th in science. These are two of the most important subjects in the curriculum. We were outshone in mathematics by a number of poorer countries, from Latvia to Slovenia. It is doubly sobering to recall that to perform badly in international comparisons such as these is to do so in a field containing some very undistinguished participants. In America and Britain, for instance, there is widespread concern about educational standards. Yet both countries outperform New Zealand in mathematics and science at the nine-year-old level.

The picture gets no more encouraging when we look at the humanities. If the stream of complaints from university teachers and employers about the literacy problems of school leavers is even half true, we have big problems in the teaching of English. As for history and knowledge of current affairs, a *Readers Digest* survey of our 17-year-olds found that only 3 percent could name the year Captain Cook first landed in New Zealand – by any standards one of the most significant dates in our history. Only 33 percent could correctly name two cabinet ministers besides the prime minister. Yet these 17-year-olds were just one year away from having the vote.

We all know that many good things are going on in our schools. But there should not need to be any debate at all about the fact that many of them are underperforming. That educators are still largely in denial says a great deal about the stake they have in policies and approaches that have so palpably failed. Their excuses range from the unconvincing to the absurd. An honourable exception was the last head of the Correspondence School – the largest school in the country – who said bluntly on his retirement that standards had fallen over the past

generation. Yet even if standards have been maintained, this would hardly be a large boast. Given big increases in government spending, the lower class sizes at the primary level, the new technology in schools, and all the other initiatives we were assured would be good for children, standards should surely have risen. All other organisations look for continuous improvements in performance. Would we be very impressed if we were told that the standard of our telephone service had merely 'not fallen' since 1984?

Doubtless if the government had continued to run the telephone business, that is precisely what we would have been hearing from official spokespeople – while people continued to queue for telephone connections and put up with the appalling service of the old Post Office. And it is not too much of an exaggeration to say that most of what made the old telephone service so bad – government control, monopoly, cloth cap industrial relations attitudes and sometimes an arrogant indifference to the consumer – lives on in the education sector today. MPs used to get more complaints about telephone services than any other topic. Now education ranks only with hospital services – also a government-dominated activity – as a source of public dissatisfaction. The wider economic changes, which in most sectors have transformed the capacity and willingness of businesses to meet the needs of their customers, have left education largely untouched.

We see the great majority of schools still under government ownership and control. We see failing schools continue to fail because there are no real mechanisms in place to force them to improve. We see strictly limited competition between schools, and parents largely without the power to use their state education dollar to purchase schooling for their children in an educational institution of their choice. We see teacher associations – who claim to want their members to be seen as 'professionals' – presenting the ugly face of militant unionism, and clinging to an archaic national award structure which has been abandoned almost everywhere else. In such a world, the interests of children come well down the list of priorities. True, our PPTA and NZEI have never stated their self-interest quite as bluntly as the president of the American Federation of Teachers, who once said: "When the kids start paying union dues, that's when we'll start looking out for their interests." But it's plain enough whose interests our teacher unions primarily represent – and they are not those of parents and children.

Meanwhile, we see children held captive to every bad idea and ideologically-charged theory coming out of our universities, colleges of education and the education bureaucracy: the dumbing down of the curriculum; an over-developed fixation with ethnic and gender balance; the 'unit standards' disaster; and the whole 'child-centred' approach to teaching, which is designed to bring out creativity but more often seems to produce boredom and ignorance.

We have an English curriculum which is so vague and soporific it should be on the bedside table of every insomniac in the country. We have a draft social studies curriculum which veers between Lewis Carroll and Jane Kelsey, written in vintage edubabble. The Ministry of Education is trying to get it right for the third time, but I fully expect that it will come out again reeking of political correctness and bereft of rigorous history and geography. The only hope is political intervention. Faced with similar mush in the United States a few years ago, the Congress rebelled. The Senate condemned the proposed National History Standards by a vote of 99 to 1, and the lone dissenter thought the condemnation inadequate.

American educationist Charles Baird has memorably declared that there is now a new ABC in American classrooms: asbestos removal, business bashing and condom distribution. He has also said that the traditional three Rs have been replaced by recycling, reproduction and racism. Needless to say, Baird's parodies are almost as apt in the New Zealand context. Our equivalent ABC might be anti-Westernism, biculturalism and cultural safety – though condom distribution seems to be on at least one minister's agenda, and business-bashing is popular among many educationalists.

At the university level, some of what goes on today in the average university social science or humanities department is just plain daft. The ideas of trendy continental philosophers and marxists linger on, despite the fact that they have failed miserably in practice in the real world.

One American academic journal, *Social Text*, recently made itself a laughing stock when it published in all seriousness a spoof article with the suitably pretentious title of 'Transgressing the Boundaries: Towards a Transformative Hermeneutics of Quantum Gravity'. The article had sentences of deliberate nonsense, such as: "The elusive indeterminacy of Shakespeare's ambiguous and problematic self-positioning instantiates while it occludes the enigmatic renegotiation of multi-hegemonic self-interrogation within the shifting parameters of its own trans-discursive space." But if you think surrealism of this kind is confined to America, take a look at the abstract from a doctoral thesis at a New Zealand university – which is better left nameless – that is attached as an annex to this paper. Regrettably, it is not an untypical specimen.

A culture that produces fiascos of this kind has some hard questions to answer. As Australian social commentator Ron Brunton points out:

Many humanities and social science departments in our universities are replete with academics who fiercely proclaim that truth and objectivity are illusions, that all knowledge has to be understood in terms of gender, race and class relations, and that

notions of scholarly rigour, intellectual standards and literary excellence simply express the preferences of the powerful.

However, as Brunton also points out, such an attitude is a two-edged sword:

If the people who denigrate the value of intellectual standards or who deny the possibility of truth are really serious, there can be no justification for using public resources to support academic activities which – in their own admission – are simply political exercises, games, or 'narratives' that they like to tell each other.

None of this is intended to be a jeremiad against intellectuals generally. It is simply that we must look at universities without rose-coloured spectacles, and to insist that their performance comes under as much scrutiny as any other part of the education system. Western universities have produced much outstanding scholarship and creative endeavour. They have also produced traitors and mass murderers. We can acknowledge the one without denying the other.

In New Zealand tertiary institutions, just as in our schools, there have been unfortunate examples of a dumbing down of the curricula, a proliferation of soft-option courses, an obsession with political correctness, and a failure to maintain rigorous academic standards. Even polytechnics, which have been better at keeping their feet on the ground, have succumbed. There was something inevitable about the fact that the Central Institute of Technology now offers a three-year full-time degree course in 'counselling' – no doubt partly as a market response to the growth industry of victimhood and the expansion of the therapeutic state in recent times.

But we should not give up hope. In economics, for example, with the exception of a few academics who double as columnists in outlets like the *Herald* and the *Listener*, most university economics departments today teach respectable economics courses. This is a far cry from the situation just 15 years ago when outdated Keynesian and economic planning courses were still standard fare.

The problems in education are not hard to diagnose. Our institutions are excessively inbred, in large part protected from competition from private and overseas institutions, and lack the accountability mechanisms of most public and private organisations. If we are serious about upgrading our human resources we need to start exposing schools and tertiary institutions to the types of disciplines prevailing elsewhere in the economy. Above all, we need to introduce more competition. Not only do state primary, secondary and tertiary institutions need to compete amongst themselves much more, we need to remove the funding discrimination

against the private sector which prevents private institutions from competing on an equal basis with state institutions. The simplest way for this to happen is to allow funding to follow the student.

At the school level, there is no shortage of international evidence that, on average, private schools outperform state schools, and that school choice is an important factor in raising standards. It is no surprise that Australia performs better than New Zealand in international comparisons of school achievement – it has a substantially larger independent sector than we do. The successful Japanese school system has a relatively high degree of competition between public and private schools. So does the Netherlands – one of the highest ranking European countries in the Third International Mathematics and Science Study. And there is an international trend – albeit slow – towards greater choice and diversity in education. Sweden recently introduced education vouchers, and charter schools in the United States are growing apace. The federal schools minister in Australia is attempting to introduce more competition, pay teachers for performance, and give schools more operating flexibility. If New Zealand is not to fall further and further behind in education and become the outright dunce of the international classroom, we should be pressing ahead with reforms that go well beyond the sterile debate on bulk funding.

At the tertiary level, the top American institutions are universally regarded as the best in the world. When you inquire into the reasons for this, the answer you always get is the prevalence of competition and the importance of private institutions. On average, tertiary fees are also a higher proportion of course costs than in most other countries. Yet many New Zealand academics and university administrators feel quite traumatised at the thought that greater market disciplines might come to bear on tertiary education, or that taxpayer subsidies to higher education might be reduced. Instead of considering research and evidence on the issues, they describe any such ideas as another 'blow to morale'. Perhaps that is what all those 'counsellors' are being trained for: judging by the grief which accompanied the recent leaked officials report on tertiary education, they will come in handy.

In truth, that particular report and the subsequent Green Paper are unremarkable in their conclusions, and in line with trends abroad. Most of the options raised – such as the streamlining of councils and allowing private institutions to compete with public institutions on even terms – are sensible. The biggest defect in the Green Paper is that it fails to ask the question of why the government should continue to dominate the sector as an owner of institutions – a question to which it is difficult to come up with a good answer.

In any case, those who declaim against the horrors of private tertiary education are too late: a raft of such organisations – some of them for-profits – already exists in New Zealand. In Australia the private tertiary sector is expanding. An interesting recent development is the move by the University of Melbourne, perhaps Australia's leading university, to set up a private offshoot. Several Australian universities are allowing eligible domestic students who don't qualify for tuition subsidies to gain access by paying full fees. The international trend towards lower government tuition subsidies is continuing. Fees are being introduced in Britain by Tony Blair's Labour government, partly in recognition of the fact that 'free' tertiary education is a subsidy to the better off. Even China – still in theory a communist country – has moved to introduce student fees.

These trends are fully in line with economic logic. Tertiary education provides large private benefits to students. Though some academics attempt to deny this fact, a millisecond's thought tells us they must be wrong. If there were minimal private benefits to a university degree, why would students worry about which course to take? Indeed why would they bother to go to university at all?

If tertiary education is highly subsidised, the result is obviously overinvestment (unless access is rationed in other ways). That makes no more economic sense than overinvestment in energy projects, in sheep numbers, or any of the other things this country has at various times subsidised to grandiose excess from public coffers. The lazy assumption that more tertiary education must automatically be 'good' ignores the reality that we can produce too much of any good, including ones that are very costly to produce.

Only a fetishism with the role of tertiary education can explain the weird pronouncement of the *Otago Daily Times* recently that the aim should be for all children to have a tertiary education. We have done enough damage already by mindlessly raising the school leaving age. It's a fallacy to believe that more formal education is necessarily better, and that everything that is important in education and training takes place in the formal sector of schools and tertiary institutions. This ignores a huge component of education – workplace training. A very large amount is invested in this type of training, of which formal training is but one part, and informal training by far the larger part. In America, total employee training, formal and informal, has been estimated to be roughly equivalent in value to total spending on schooling and tertiary education. There can be little doubt that the story here is broadly similar.

Like formal education, there are myths about employee training. It is sometimes said, for instance, that there is not enough training, and that some form of compulsion to produce more

training is needed. For example, some politicians have an itch to impose training levies. The arguments for such interventions do not stand up to scrutiny. The right amount will be invested in training so long as standard market mechanisms are allowed to work. Training is not costless. Generally the costs of on-the-job training are reflected in the wage paid to the employee during the period of training. It is entirely rational for employees to accept lower wages in return for training, since they increase their skills and thus their value to current and future employers. In other words, training is usually a sound investment, because it increases the expected lifetime earnings of a worker.

As in so many other areas of the economy, the main thing for the government to do is ensure it does not get in the way by imposing arbitrary barriers which prevent employers and employees cooperating for their mutual benefit. Labour market legislation should be as permissive of free contracting as possible. That is why the Employment Contracts Act was such a positive move for employee training. With pay gradients now better able to reflect skill, there is much more incentive to invest in skill acquisition, and surveys have repeatedly shown that there has been a huge increase in training. Ironically, those who most often claim employers are not providing 'enough' training also tend to be those most vigorously opposed to the Employment Contracts Act.

Another myth which has proved remarkably resilient is that training provides jobs. Among the magical things education can apparently do is provide a cure for unemployment. In reality, this view has it almost entirely the wrong way around. It is a flexible labour market which provides jobs. And it is jobs which provide training. The fashionable idea that the way to tackle unemployment is through expensive training schemes for the unemployed has no justification in economic theory and a poor record in practice. New Zealand tried one government training scheme after another in the 1980s, while unemployment continued stubbornly to rise. It was only when the labour market was freed up that unemployment began falling.

Thus the main solution to today's joblessness consists in further labour market reforms – for instance, by abolishing the minimum wage and disestablishing the job-destroying Employment Court. The former has prevented many of the most marginal workers from getting a foothold on that all-important bottom rung of the employment ladder, and the latter's handling of personal grievance cases has developed into institutionalised folly, raising the costs and risks of taking on labour. Those actions would do much more for jobs and training than any number of government make-work schemes. It is far more important for a person's lifetime chances to get a start in the workplace, even at a low wage, than to languish on the dole while being 'trained' by bureaucrats for a job that may never exist.

In sum, if we are to successfully upgrade New Zealand's human resources, we need to take a clear look at what has succeeded and what has failed. We can learn from the success of the Employment Contracts Act that freer labour markets give more people chances in the workplace, boost skills and increase industrial harmony. And we can learn from the failures of state education that centralised systems that deny choice and confer monopoly powers breed mediocrity, and render people captive to bad ideas. The challenge, as ever, is to convince policy makers to go beyond the blinkered demands of vested interests and undertake serious reform. If they fail to do so, it is not through lack of evidence about the problems or the solutions. The choice politicians must face up to is whether special interests or the public interest will prevail.

Abstract

This thesis entitled *Governing the Self: A Foucauldian Critique of Managerialism in Education*, is about the constitution of the self. The argument is that through self constitution, the subject is implicated in its own governance. The thesis locates self constitution as a discursive formation within a neoliberal discourse that is problematic as a mode of governance. Michel Foucault's (1991c) notion of Governmentality is employed to expose self management as a neoliberal disciplinary mode of self constitution. Neoliberalism has been defined as the theoretical basis of recent societal and economic reforms in New Zealand as well as the prevailing political rationality, and provides a context for altered subject positions. Since the self is subject to neoliberal reforms, the constitution of self is a matter for education. In order to locate the particular notion of the self that is employed in the discourse of the recent reforms to the economy and society, and education in particular, the thesis undertakes an historical investigation into the problem of the self. Through busnocratic rationality this self is said to have acquired a necessary faculty of self production and consumption. That acquisition fits well with Foucault's (1991c) view of neoliberalism which, through its entrepreneurial imperative, implies an inherent demand for continuous production, including self production. Managerialism is the modern mode of discipline for this continuous self production. To this extent, the insertion of managerialism into Government reforms to education – underpinned as they are by neoliberalism – is problematic. A policy regime that has been constructed to promote the management of human capital in New Zealand is examined to illustrate the ways in which managerialism is applied to education. Managerialism in education is found to be inadequate for self governance on the basis that its subject *homo economicus* cannot adequately account for the 'other' in the educational relation.