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September 1998
The Political Lessons of Tomorrow’s Schools:

What can be learnt from the outcomes and implications of *Tomorrow’s Schools*?

Scott J. Connew

A dissertation submitted for the partial fulfilment for the degree of Bachelor of Arts with Honours at the University of Otago, Dunedin, New Zealand

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Abstract

From 1987 to 1993 the Fourth Labour Government and the Fourth National Government in New Zealand embarked on a radical restructuring of the school-level education system in a series of reforms known as Tomorrow's Schools. Based on neoliberal ideology, in particular principles of choice and competition, the changes combined to produce an inequitable system of education provision. This dissertation asks, what can be learnt from the outcomes of Tomorrow's Schools? It concludes that policies based on choice and competition, and those that prioritise administration as a key determinant in educational performance, are unable to realise an equitable education system. Neoliberal theory advocates that equality of opportunity and across-the-board improvements in educational attainment of students will result from guaranteeing choice and competition in education. The experience of New Zealand, however, indicates that, in practice, the outcomes of such policies are characterised by inequality of opportunity, hierarchy, exclusion and polarisation, where significant sections of the population (most notably the poor and ethnic minorities) are systematically disadvantaged. Furthermore, an analysis of the education policies of the current government shows that the system of advantaged and disadvantaged schools created by a competitive environment remains prevalent today. Moreover, the prospects for a shift towards an equitable education system appear small as the Labour coalition remains rhetorically but not financially committed to achieving a genuine improvement in education provision, especially with respect to disadvantaged schools. Meanwhile, the parties of the centre-right remain committed to policies of choice and competition that are conducive to distinct inequity. Subsequently, the paper calls upon the government to take greater consideration of the outcomes of Tomorrow's Schools and alleviate the inequality of opportunity that continues to exist.
Acknowledgements:

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Introduction

For much of the twentieth century the provision of education in New Zealand through state primary and secondary schools was an unquestionable function and responsibility of the government. Through decades of universal provision by the state, access to services from which society at large was deemed to benefit were conceptualised as a 'social right.' Indeed, since the creation of the Keynesian ‘welfare state’ by the First Labour Government (1935-49), the role of the government was conceived as guaranteeing to every citizen the provision of adequate healthcare, social welfare, housing, and education in the pursuit of an egalitarian society. The explicit objective of this approach was ‘full employment’, which was largely achieved through state employment, subsidised industries, and large bureaucracies.\(^1\) Successive governments, both Labour and National, maintained this egalitarian conception until the defeat of the Robert Muldoon-led National Government in 1984. The electoral victory of the Labour Party in 1984 precipitated a virtual overnight abandonment of the ‘hands-on’ government practices of the welfare state. This new David Lange-led Labour government jettisoned its traditional social democratic policies and the wider political framework that had dominated the country for the best part of five decades in favour of neoliberal economic policies. The implications and impacts of the subsequent shift in policy formulation were enormous.\(^2\)

In the domain of education policy, the shift away from universal state provision occurred during the years from 1987 to 1993. This paper is a comprehensive investigation of how the education policies implemented during the second term of the Fourth Labour Government and first term of the Fourth National Government combined to produce an inequitable system of education provision characterised by inequality of opportunity,


\(^2\) See, for example, Kelsey, J. (1997) The New Zealand Experiment
hierarchy, exclusion, and polarisation. While significant literature has accumulated on the outcomes of *Tomorrow's Schools*, this paper adds a new dimension to the discussion: what can be learnt from the outcomes and implications of *Tomorrow's Schools*? This is an important question to investigate as it applies the implications of the reforms to the general context of education policies to show the inappropriateness of market-based education policies and the continuing legacy of the reforms' outcomes. Furthermore, because the theory behind the reforms was drawn from the paradigm that directed the overall change in the political economy (away from welfare state policies), this study is representative of a wider discourse. As Lauder and Hughes *et al* (1999) stated: 'the debate over education markets is actually a clash of competing visions of society, economic efficiency and social justice.' The shift towards instituting an education system based on neoliberal market policies was typical of the overall policy approach of the neoliberal paradigm. As such, an investigation of the arguments for and against education markets represents the wider debate between policies that prioritise economic efficiency over equity, and those that have social justice as their primary basis. The welfare state embodied the concept of social justice, providing an adequate standard of living for all citizens through state provision of social services. This approach was encapsulated by the Minister of Education in the First Labour Government, Peter Fraser, who declared:

... that every person, whatever his level of academic ability, whether he be rich or poor, whether he live in town or country, has a right, as a citizen, to a free education of the kind for which he is best fitted and to the fullest extent of his powers.5

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While explicitly directed at education, this attitude reflects the general approach of a welfare state government: universal provision of social services. In contrast, the model of government policy that holds economic concerns and arguments above all other considerations characterises the policies implemented by New Zealand governments since 1984 and those implemented in the education sector in the years 1987 to 1993.

Education provides a concentrated area in which to study the policies of neoliberalism because the provision of education represents conflicting viewpoints of the role of the state in a modern society. Traditional Keynesian practices maintained that the state must be involved in education provision to ensure benefits are maximised and evenly distributed in order to contribute to the goal of an egalitarian society. Neoliberal theory, by contrast, holds that excessive government involvement inhibits the realisation of the full benefits of education to society. Analysis of the transition to neoliberal policies in education shows that their implementation produced outcomes that were significantly detrimental to particular groups within society (particularly the disadvantaged and ethnic minorities).

Chapter One investigates the process by which neoliberalism came to displace the welfare state conception of education as a social right or public good. It considers the theories that advocated the commodification of education and promoted internal markets within the provision of education, showing how the New Zealand Treasury assimilated neoliberalism into advice to the government. Chapter Two addresses the progression of theory towards government policy and implementation. This concentrates on reports, policy statements and government legislation during the 1987 to 1993 period. Furthermore, Chapter Two includes an account of the response of education researchers to the implementation of Tomorrow's Schools and considers arguments against markets in education. Together, these first two chapters provide the predictions of both market
advocates and opponents that are returned to later when analysing the outcomes of the *Tomorrow's Schools* reforms.

Chapter Three analyses the consequences of the reforms on schools, students, families, and communities, with a view to establishing a comprehensive picture of the appropriateness of the policies pursued and their ability to deliver the predictions of their advocates. Following from this analysis, Chapter Four deliberates over the implications of the outcomes on policy and applies these implications to the current context of political party education policy.

Overall, New Zealand’s experience with the market-based education policies of *Tomorrow's Schools* provides substantial evidence that such policies are unable to deliver equity in education. In fact, education markets are conducive to increasing inequality of access to education and produce alarming inequality of educational attainment among different sections of the population. The direct consequence is an increase in the prevalence of social inequality and exclusion. Most importantly, the inequity created by neoliberal policies in education has not been addressed by the current government and a system of advantage and disadvantage among schools and communities remains. This leads to the contention that New Zealand’s education system is in need of immediate attention, which places the government under pressure to provide a genuine policy change to alleviate the situation.
Chapter One

Since the early 1980s, the neoliberal paradigm has come to dominate policy formulation in New Zealand. This chapter investigates how the theories of neoliberalism gained ascendancy in the realm of education policy in order to show that the set of policy prescriptions advocated were based on economic discourse with theorised (rather than proven) outcomes. Through the dominance of the neoliberal paradigm, education became conceived as an economic investment rather than a public good. This commodification of education stipulated the creation of an internal market within the provision of education, the rationale of which was a theorised increase in overall educational achievement.

The rise of neoliberalism

Since the mid 1970s, the New Zealand economy experienced an increasing prevalence of inflation, stagnating economic growth and an associated rise in unemployment. Under Keynesian economic doctrine, which maintained 'that government possessed the means to offset the forces of recession and thus hold the economy close to full employment on a sustainable basis', these developments were anomalous. Prime Minister Muldoon (1975-84) attempted to offset these developments with the policy tools of the prevailing (but faltering) Keynesian paradigm (increased legislative intervention; for example, a wage and price freeze and increased public expenditure). Muldoon's policies were met only with policy failures, a burgeoning budget deficit and an intensification of the problems

2 The Phillips Curve, a key feature of Keynesian economics, illustrates a theorised trade-off between inflation and employment: policy-makers could increase employment at the expense of experiencing a greater rate of inflation, or could decrease inflation at the expense of a rise in unemployment. The presence of both high inflation and high unemployment, and the inability of traditional mechanisms to re-establish the trade-off (and stability) was, therefore, anomalous. For introductory economic description of the Phillips Curve see, Mankiw, N.G (2003) Macroeconomics (Fifth Edition), pp. 358-371,
of inflation and unemployment. Continuation of such an approach was unsustainable, both economically and politically, as Gustafson indicates in his biography of Muldoon:

Muldoon tried to preserve the old order but everything seemed to be crumbling about him and the tide of public opinion was running strongly against his policies and his personal style.3

Consequently, the Keynesian paradigm within New Zealand began losing coherence and credibility, creating an open theoretical space for alternatives. This process was consistent with the thesis of Peter A. Hall (1993), who asserted:

... the movement from one paradigm to another ... is likely to involve the accumulation of anomalies, experimentation with new forms of policy, and policy failures that precipitate a shift in the locus of authority over policy and initiate a wider contest between competing paradigms. This contest may well spill beyond the boundaries of the state itself into the broader political arena. It will end only when the supporters of a new paradigm secure positions of authority over policy-making and are able to rearrange the organization and standard operating procedures of the policy process so as to institutionalize the new paradigm.4

The 1984 election proved to be the event which makes Hall’s theory particularly credible and relevant with respect to New Zealand. The Labour victory enabled Treasury, the government’s primary advisory body, to endorse the prescriptions of neoliberalism to a much more receptive cabinet. Having secured ‘positions of authority over policy-making’, the Fourth Labour Government, following the insistence of Treasury, quickly moved to ‘institutionalise’ the neoliberal paradigm.

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The neoliberal paradigm to which Treasury subscribed has its origins in the writings of Frederich Hayek. His work represented the 'revival of the central tenets of classical liberalism, particularly classical economic liberalism'. Fundamental components of classical economics were reinforced, the most significant being the conception of human nature as rational and self-interested, the undoubted faith in the superiority of the market to allocate resources, and finally, a commitment to minimal government. The sovereignty of the individual was elevated to unparalleled status, the role of the government was restricted to guaranteeing individual and property rights, and society was reduced to the aggregation of individual preferences.

Olssen (2000) asserts that one of the major themes of Hayek's philosophy is the argument that the 'local knowledge' generated by markets 'is always more valid and effective than the forms of codified textbook-type knowledge that is possible to introduce through planning.' Subsequently, 'the proper functioning of markets is incompatible with state planning of any sort', because the absence of a market (and hence local knowledge) makes planning inherently inefficient, and is a threat to the freedom and sovereignty of the individual. The concerns of Hayek gained momentum as an increasing collective of economists subscribed to the thesis that the stagnation and instability of economies around the world could not be rectified by government intervention. With mathematical models purporting to show that economic problems (and therefore social problems) were attributable to fluctuations in the volume of money in circulation, the discipline of economics began to assume the status of a science.

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As administrators throughout the Western world battled against economic stagnation, inflation, and unemployment without success, neoliberalism gained ascendancy in the domain of economic policy. The introduction of the Reagan administration in the United States, the Thatcher regime in Great Britain, and the Fourth Labour Government in New Zealand precipitated the institutionalisation of neoliberal economic theories. The paradigm became the orthodox view due to its logical capacity to explain and provide solutions to the macroeconomic problems experienced in the 1970s and 1980s.

Neoliberal conceptions of the functions and properties of the state apparatus.

A central component of neoliberalism is Public Choice Theory (PCT), which originated in America from the writings of James Buchanan and Gordon Tullock during the 1960s. Their main work *The Calculus of Consent* (1962) is primarily concerned with, as interpreted by Olssen, 'the application of economic theories to public-sector institutions' because:

Unlike markets, the public sector lacked a comparable mechanism of economic efficiency to guide the utilisation or allocation of resources. In addition, the self-interested opportunism of bureaucrats and government officials would create conflicting loyalties and interests which would interfere with the implementation of policies in the genuine pursuit of the public interest.⁹

The foundation for such an argument is based on adherence to the neoliberal assumption that self-interested (opportunistic) 'economic behaviour (*homo economicus*) describes the true state of human nature and is applicable [to] all aspects of life.'¹⁰ Subsequently, 'all social phenomrena

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⁹ Olssen, M. (2000), p. 21
¹⁰ Olssen, M. (2000), p. 21
are reducible to individual behaviour.

This led Devine (1998) to the conclusion that under PCT prescriptions:

[the presumption of policy is that individual action is to be preferred, and that voluntary agencies are more efficient than government agencies, and that government has somehow a right and obligation to replace government institutions with ones which conform more closely to this [PCT] model of the structures which the rational individual will choose to operate through.]

The predominant inference of PCT is that in order for a public institution ‘to be both efficient and responsive to consumer demand, there must be an ever-present threat of competition from other providers and concomitant opportunities for consumers to exercise market choice.’

This means the role of government is reconceived as creating an institutional framework that represents a market that provides, for public servants, the appropriate incentives to counter self-interest and contribute to the common good. This differentiates PCT from the pure neoliberalism of Hayek because PCT asserts the view that ‘the notion of the public interest as the derivation of the aggregate self-interest of individuals’, when applied to the public sphere, ‘cloaks the opportunistic behaviour of bureaucrats and politicians as they seek to expand their bureaus, increase their expenditures, and maximise their own personal advantages.’

Olssen (2000) identifies the strategies derived from PCT to emulate a free market. These include:

... contracting out services to the private sector, increasing competition between units within the public sector, placing all potentially conflicting responsibilities into separate institutions, separating the advisory, regulatory and delivery functions into different agencies, as well as introducing an assortment of accountability and monitoring

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13 Codd, J. (1999), p.46
techniques and strategies aimed to overcome all possible sources of corruption and bias.\footnote{15}{Olssen, M. (2000), p. 23}


PCT and Principal-Agent theory comprise the New Public Management (NPM) discourse that became an integral component of neoliberalism. The ‘central assumption of NPM is that there is a body of scientifically tested principles which can be applied to the management of any organisation to improve its efficiency and its effectiveness in achieving predefined outcomes.’\footnote{20}{Codd, J. (1999), p. 47} Principal-Agent (or Agency) theory maintains that well-defined contracts between hierarchical management ensure compliance with organisation objectives. That is, workers act as the ‘agent’ of higher management (the ‘principal’) who are in turn contracted...
to achieve a common goal. The theories of NPM provide the basis for their advocates to claim ‘efficient management can solve almost any problem’ and ‘management practices, which are appropriate for the conduct of private sector enterprises, can also be applied to public sector services.’

At the most fundamental level, the doctrine advocated by NPM exponents is based on the ultimate supremacy of the individual and on private associations that manifest themselves in the form of a market. The optimal environment for such arrangements is in a marketplace completely free of any restrictive or coercive government powers. In circumstances that necessitate a role for government to realise a collective common goal, government should create an institutional framework that delivers objectives in a manner that most closely corresponds to a free market. The foundation for this is the belief that all individuals ‘enter markets equally free to choose and that state intervention to restore equality in the marketplace is unwarranted interference in the individual’s freedom to choose.’

Subsequently, ‘policy-makers should treat all people, whether they be politicians, bureaucrats, or ordinary citizens, as rational utility maximisers.’ Therefore, ‘social affairs are best organised according to the general principle of consumer sovereignty, which holds that each individual is the best judge of his or her needs and wants and of what is in their best interests.’ The provision of education within a society of individuals is one such ‘social affair’ or common goal.

The application of neoliberalism to education

Neoliberal theories do not contest the traditional belief that education benefits both the individual and society. Instead, the discourse reconceives education through the lens of economics, reducing the benefits

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22 Lauder, H. (1990), p. 8
23 Codd, J. (1999), p. 46
of education to economic phenomena. Most importantly, through Human Capital Theory (HCT), neoliberalism has emphasised "the importance of education in determining economic growth." This places an obligation on the state to ensure each individual undertakes education and/or training in order to boost economic growth and thus the standard of living of all individuals (and the government’s ability to raise taxation revenue). However, the theory does not significantly deviate from a preoccupation with the individual as it maintains that the benefits of education accrue primarily to the individual in the form of higher lifetime income. Education is then regarded as an investment as all individuals face the rational incentive to maximise their future income potential through education. The major implication of this position is that it enables neoliberalism "to apply theories of the free market to education because it argues that human motivation in education is the same as that found in the "free market"." Furthermore, because neoliberalism highlights the predominant gains to the individual, education acquires the status of a private good. Gerald Grace (1990) terms this an 'ideological manoeuvre', with the objective of assimilating economic concepts and discourse into the orthodox way of thinking of education:

... the critical point in the whole ideological manoeuvre ... is the moment at which the long-cherished belief that education is a public good is to be discredited by the logical power of a new hegemonic discourse, that of economics.

The traditional Keynesian notion of education as a public good (as exemplified in the Peter Fraser quote in the introduction) is then delegitimised, and the concept of education reconstituted in economic terms of reference. The most vital consequence is the commodification of education. Once viewed as a good that could (and should) be exchanged in

26 See, for example, Olssen, M. (2000), pp. 18-21, and Eagle, L. and de Bruin, A. (2000), pp. 3-15
a market, the fundamental principles of neoliberal economics are then applied to the provision of education. Major policy implications logically follow. Under the neoliberal paradigm, a market unconstrained by the powers of government best provides any commodity. As education was traditionally provided by the state, its provision was deemed to be inherently inefficient due to the absence of competition. Consistent with the theories of NPM:

... [the solution] lay in a reorganisation of the system around fundamental neoliberal principles: minimize the role of the central government, separate funding from operations, encourage competition among schools, give parents and students maximum choice in determining which school to attend and introduce a management system oriented around mission statements, output targets and performance-based pay.\(^2\)

The role of government in education then became a provider of incentives oriented towards specific policy goals, rather than as a provider of the services themselves. For neoliberalism, the notion of choice is the primary mechanism to govern the market-based relations of individuals. As rational individuals, choice enables consumers to exercise their sovereignty and select the arrangement or product that satisfies their preferences, as they are the best judge of what is in their interest. The government is therefore the guarantor of choice. This central tenet of neoliberalism was applied to education during the 1960s by James Coleman, who believed:

[The movement towards choice is the first step in a movement toward getting the incentives right in education – incentives for both the suppliers of educational services, that is, schools and their teachers, and for the consumers of education, that is, parents and children. The incentives for schools ... would include an interest in attracting and keeping the best students they could. The incentives for

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parents and students would include the ability to get into schools they find attractive and remain in those schools.\(^{30}\)

This indicates that the optimal provision and consumption of education is possible only when schools and parents are granted the autonomy to express choice as it theorised to exist in a ‘free market.’ Such a conviction is predicated on the belief that a market provides ‘a level playing field’ upon which all individuals have equality of opportunity. Market advocates believe equality of opportunity is available only when choice is guaranteed and schools are able to act autonomously, so as to face economic imperatives similar to those faced by private-sector providers. Schools should be self-governing, and:

... this rationale is, perhaps, most clearly explained by Chubb and Moe (1990), who claimed to show empirically that self-management provided the most effective schools and argued that a combination of school autonomy and market forces provided the best recipe for school improvement.\(^{31}\)

In *Politics, Markets and America’s Schools*, Chubb and Moe (1990) exemplified the application of neoliberalism/NPM to the provision of education. In response to discontent and concern about declining educational standards as measured by standardised tests in the United States, these authors explained that schools were not the source of the decline, rather it was the branches of government that were attempting to reverse the problems that were the problem themselves; ‘the institutions of direct democratic control.’\(^{32}\) This was a direct application of PCT, drawing on the inherent inefficiencies of government departments due to the self-interest of bureaucrats. The findings of Chubb and Moe assert, in line with PCT and NPM, that ‘the most important prerequisite for the emergence of effective school characteristics is school autonomy, especially from


\(^{32}\) Chubb, J. and Moe, T. (1990) *Politics, Markets and America’s Schools*, p. 2
external bureaucratic influence. These characteristics are those that are found in private sector enterprises: autonomy, clear objectives, accountability, leadership, professionalism and financial imperatives. Such an environment benefits all parties concerned, precisely because educational institutions would then operate under the discipline of the market.

The advocates of quasi-markets in education maintain that when subject to market forces, institutions will improve overall educational standards without an increase in required funding. This will arise through competition between schools, which must raise standards to attract students and hence funding. On the demand side, parents (as agents for their children) will be able to choose which school best suits their needs and preferences. Parents will be, more than ever, involved in their children’s education. Additionally, parents will be able to access the relevant information required to make informed choices, as schools will have an interest in promoting themselves. The mechanism that ensures these outcomes is the market, because ‘the moment a school’s performance indicators decline parents will switch schools, thereby sending a signal to the school that if it does not improve it will perish.’ Furthermore, it is theorised that an education system based on choice will foster diversity within schools and throughout the school system. This diversity will transcend ethnicity and inequality, as parents of any cultural or social group are as free and equal as any others to enrol their children in the school of their choice. That is, in theory, the quasi-market will produce schools that enable disadvantaged students to escape inequality due to residential segregation and receive an education in a successful school environment.

Moreover, the benefits of competition will equip such students with the necessary skills to enable participation in the labour market and eliminate their disadvantage.

33 Chubb, J. and Moe, T. (1990), p. 23
34 Lauder, H. and Hughes, D. et al. (1999), pp. 18-9
35 Lauder, H. and Hughes, D. et al. (1999), p. 7
In New Zealand, the entity primarily responsible for the application of neoliberal theory has been the government’s principal advisory body, Treasury. Some commentators contend that Treasury does not interpret neoliberal theory, but merely paraphrases it.36 By the 1984 general election, Treasury had become convinced of neoliberalism’s appropriateness and logical capacity to solve the macroeconomic problems plaguing the political economy. In the Fourth Labour Government it found a receptive audience, which moved quickly to transform theory to policy. By the 1987 election, which produced a successive Labour victory, Treasury had concentrated its focus on the activities of the state, drawing heavily on theories such as PCT. Their ‘Briefing to the Incoming Government’ entitled Government Management (1987) comprised two volumes, the second of which was devoted entirely to education (Education Issues).37 This reflects the weight neoliberalism attaches to education as a determinant of market-driven growth in the economy.

Treasury’s prescriptions for education

Treasury’s two volumes of Government Management (1987) are essentially a blueprint for the fundamental reorganisation of the state apparatus in line with explicit neoliberal principles. Central themes are direct derivations of neoliberal theory, such as the primacy of the individual and the elevation of choice, efficiency and market-based concerns above all others. Government Management presented neoliberal arguments as solutions to the alleged problems afflicting the state in the mid-1980s. With respect to education, numerous passages exemplify Treasury’s classification of it as a private good; for example:

Education is never free as there is always an opportunity cost to the provider. Those who provide the inputs to

formal education naturally seek to defend and develop their own interest. Hence, formal education is unavoidably part of the market economy and the Government can afford to be no less concerned with the effectiveness and 'profitability' of its expenditures on education, in relation to the states aims, than private providers would be in relation to their own.38

Such an argument corresponds to Grace's 'ideological manoeuvre'.39 The orthodoxy associated with considering education became predicated on the basis of economics rather than on the contribution of education to society. Furthermore, Treasury clearly demonstrated a neoliberal perspective of government:

Government intervention is liable to reduce freedom of choice and thereby curtail the sphere of responsibility of its citizens and weaken the self-steering ability inherent in society to reach optimal solutions through the mass of individual actions pursuing free choice without any formal consensus.40

In addition, Treasury held that in the provision of education 'as with any other service, there can be no presumption that monopoly state provision is either equitable or efficient in meeting the diverse needs of children.'41 Subsequently, Treasury in 1987 was advocating a major transformation in the provision of education in New Zealand, away from active intervention and provision to a contractualist or minimalist position. In such a position, the role of government was solely to provide the incentives for efficient and effective provision rather than the service itself. This was justified on the basis of 'a considerable body of micro-economic analysis of management issues that can be applied, in greater or lesser degree to education institutions in order to improve levels of performance.'42 Treasury therefore conveyed a conviction that management or administration was a key determinant in educational performance.

40 The Treasury (1987b) p. 41
41 The Treasury (1987a) p. 138
A second conviction extolled by Treasury was the belief that, in line with neoliberal prescriptions, the government had an obligation to ensure that the maximum possible choice was available to the consumers of education. Subsequently, *Education Issues* concentrated on how the government could (and should) restructure its role in the provision of education. It advocated a system where individual educational institutions had the autonomy required by neoliberal theories to function under constraints and incentives as similar as possible to those faced by private sector service providers. By transferring managerial responsibility to individual schools, institutions would be forced to adopt market-derived management behaviour in the supply of education.

To shift towards a full quasi-market, the guarantee of choice for the ‘consumers’ of the service provided was necessary. The freedom for parents to choose and have their children attend the school they judge to be the best suited and most appropriate for the advancement of their children’s education would free education from the inefficiencies of universal state provision. The rationale behind this was twofold. First, Treasury asserted ‘the state system should not send out a message that the state knows best and that parents are not to be trusted.’ This reflected the theoretical primacy of the individual and unequivocal faith in the individual to discern what decisions are in their best interest and to act accordingly. Second, the exercise of choice would reinforce and legitimate the requirement of schools to behave as viable enterprises as they become engaged in competition with each other for students, and hence funding. Treasury’s confidence in the education market is clear: ‘we believe that increased competition and parental choice, provided they are matched by improvement in targeting, accountability and management

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42 The Treasury (1987b) p. 18
43 The Treasury (1987b) p. 113
44 The Treasury (1987b) p. 113
and information systems, can improve the average quality of schooling.\textsuperscript{45} The role of education processes in improving achievement was then demoted below economic and management considerations.

Therefore, the policies promoted by Treasury in 1987 with respect to education are the fundamental arguments of neoliberalism.\textsuperscript{46} Drawing predominantly on economic theories of behaviour and management, \textit{Education Issues} provided a blueprint for the reorganisation of education provision in order to create a quasi-market. The primary assumption that parents can make rational and therefore informed choices enabled the prediction that free from the intervention of government, ‘[p]arents will have equal knowledge about schools and the power to send their children to the school of their choice.’ This would produce ‘ethnically and socially mixed’ schools that ‘will drive up school performance through competition for students.’\textsuperscript{47} It is these assumptions and predictions that will be returned to when analysing the impact of the quasi-market on education.

\textbf{Summary}

In the 1970s and 1980s context of intensifying economic problems and a Keynesian framework unable to provide solutions, neoliberalism gained ascendancy as its ‘scientific’ analysis, grounded in neoclassical economics, provided seemingly logical explanations and solutions to diverse economic problems. With the rise of neoliberalism, the imposition of competition and contracts became an \textit{obligation} of government to balance the self-interested behaviour of bureaucrats, who cause government policy to deviate from the collective public interest.

Education was reconceptualised by the economic theories of neoliberalism as a private good, the acquisition of which was governed by

\textsuperscript{45} The Treasury (1987b) p. 150
\textsuperscript{46} Grace, G. (1990), Lauder, H. (1990)
\textsuperscript{47} Lauder, H. and Hughes, D. \textit{et al} (1999) p. 18
self-interest. This 'ideological manoeuvre' to commodify education enabled the conclusion that government provision was inherently inefficient. The solution, advocated in New Zealand by the Treasury, was to construct a quasi-market wherein the role of government was to provide market-derived incentives instead of the good/service itself. When choice and competition are guaranteed, so the argument went, the quasi-market would operate with the capacity to deliver equality of educational opportunity and increased educational performance for all citizens, without any necessary increase in government funding.
Chapter Two

The New Zealand education system of the early and mid 1980s was highly centralised; administrative power concerning policy and curriculum formulation, funding allocation, and ensuring standards through inspection was located in the Department of Education. Furthermore, individual schools had strictly circumscribed control over their institutions; governance was exercised by regional education boards for primary schools and by secondary school Boards of Governors under the explicit direction of the centralised bureaucracy.\(^1\) This structure had evolved from decades of government policy oriented towards education as a ‘social right’. Gordon describes the role of the large department as maintaining ‘comparable quality of schooling’, meaning each child ‘would have access to a school offering the same range of opportunities as any other school’. This was pursued through ‘highly interventionist (and often paternalistic) policy forms.’\(^2\) However, in the context of the 1980s, such an approach would prove to be unsustainable. The combination of fiscal imperative and the growing ascendancy of neoliberalism instigated a paradigmatic shift towards neoliberal policies in all areas of state activity. This chapter shows how this shift occurred in the domain of education and details the reaction of education researchers to the dramatic change in education policy. Their response provides the predicted outcomes of a establishing a quasi-market in education from a critical or oppositional perspective that will be used later to assess the outcomes of the reforms.

The evolution of theory in to policy

When Labour took office in 1984, the new government moved quickly to implement the economic policies advocated by Treasury. The policies of this first term made apparent an ideological agenda divorced from the Labour Party’s traditional social democratic policy approach.

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\(^1\) Gordon, L. (1997) pp. 65-6
\(^2\) Gordon, L. (1997) p. 66
During the 1987 election campaign, Prime Minister Lange indicated the Government would, when re-elected, concentrate on those areas of concern to traditional Labour voters, the domains of social welfare, education and social justice.³

While social policy was to be Labour’s focus, it was also Treasury’s; however, Treasury’s policies were diametrically opposed to traditional social democratic principles in the public sector. Implementation of Treasury’s policies would alienate the Labour Party from its founding principles. Government Management was clearly predicated on neoliberal assumptions and aspirations. In his newly self-appointed capacity as Minister of Education, Lange attempted to reconcile government policy with the party’s heritage. For education policy recommendations, he sought advice not from Treasury, but from a taskforce commissioned prior to the election to investigate the education system. This taskforce, headed by businessman Brian Picot, a friend of Lange’s, produced the report Administering for Excellence: Effective Administration in Education, commonly known as the Picot Report. This report is of paramount importance, as it, more than any other document, shaped the reorganisation of education policy. The target of this reorganisation is explicit in the title.

The Picot Report

The main premise of Administering for Excellence was the conviction that the key to educational improvement lay in the administration of education provision, rather than in the provision itself: ‘...those who work in the system, and the people they serve, deserve better.’⁴ With rhetoric that shared similarities to the neoliberalism of Treasury, the taskforce concentrated on the inefficiencies of government bureaucracy:

The present administrative structure is over-centralised and made overly complex by having too many decision points. Effective management practices are lacking and the information needed by people in all parts of the system to make informed choices is seldom available.\(^5\)

The solution, therefore, could be found in a policy of devolution, where 'the system' could be re-invigorated so that each educational institution could behave autonomously, facing similar incentives and constraints as any of Picot’s own (supermarket) businesses. The solution subsequently came to be presented as common sense management practice rather than an educational argument.

However, Picot himself was not a neoliberal disciple in the same mould as Treasury economists. Picot's concern was with attaining the most effective system possible, which did not necessarily preclude government provision.\(^6\) Furthermore, the report stated it had 'operated on the basis that the government is expecting no change in the level of funding to education.'\(^7\) Nevertheless, the report was punctuated by evidence of a neoliberal agenda:

Ministers need high quality advice on which to base policy, and so we see a clear need to separate policy advisors from the providers of education to eliminate any potential conflicts of interest. Advice to government must be freed as far as possible from self-interest, so that it has the credibility and neutrality that is required of it.\(^8\)

The common sense presentation of the solution and the language used to express the solution couched the recommendations in such a way as to appeal to social democratic conceptions of education. For example, the report stated: '[e]ducation should be fair and just for every learner regardless of their gender, and of their social, cultural or geographic)

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\(^7\) Picot, B. et al (1987) (Sec. 1.4.3) pp.6-7
\(^8\) Picot, B. et al (1987) (Sec. 1.2.12) p. 5
This clearly appealed to the comparable quality conception of education. Furthermore, key themes of the report also corresponded to established values of education, the most significant being that of ‘partnership.’ The report recommended developing closer relationships between schools and the communities they serve, to overcome ‘feelings of frustration in the face of a system that too often appeared inflexible and unresponsive to consumer demand.’

Enabling community participation could also potentially legitimise a major restructuring of the education system. The mechanism to initiate partnership was to be the introduction of boards of trustees for each individual school, comprised of individuals from within the community to which decision-making authority would be devolved. The board would be responsible for the school and accountable to the government, but also to the community it served:

Students, parents and community groups should be able to understand the structure of the system, to participate in decision making and to influence the system so that it provides the best educational opportunities for them.

This model of involvement has been termed ‘community empowerment.’ While it addressed the concerns of the public created by a ‘common theme of powerlessness,’ it did not, of itself, establish a system wherein schools would act autonomously and where ‘effective’ administration would produce educational improvements. To ensure an outcome of improved educational attainment, the Picot Report advocated a form of partnership defined in terms of responsibilities and obligations; a formal partnership based on a ‘charter.’ The taskforce viewed the charter of each institution as ‘the “lynchpin” of the structure’, which ‘would act as a contract between the community and the institution and the institution and the

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9 Picot, B. et al (1987) (Sec. 1.1.4) p. 3
10 Picot, B. et al (1987) (Sec. 3.6.1) p. 35
11 Picot, B. et al (1987) (Sec. 4.1.1) p. 41
The charter was effectively an operational constitution which was 'expected to define the purposes of the institution and the intended outcomes for students.' Consequently, the administration of education that was advocated was contractual managerialism: managerial power and responsibility would be devolved to boards of trustees, simultaneously requiring fulfilment of contractual duties to provide the educational needs of the community in line with overall government objectives.

The Picot Report 'painted a devastating picture of the current administrative system as overly centralised, rule bound, wasteful, vulnerable to pressure group politics, and lacking in sound managerial expertise.' The proposed solution was devolution of power and responsibility on the basis of a contractual partnership between individual schools, their communities, and the government. By devolving the authority and responsibility for resource allocation to schools themselves, the report 'promised to provide teachers with greater control over their resources and hence greater professional autonomy with a resulting improvement in the educational outcomes of their students.' Furthermore, this devolution would be oriented towards dramatically increasing the participation of the community in the provision of education. **Administering for Excellence**, overall, can be regarded as recommending the modernisation of education administration along managerial/business lines, without prescribing a transformation of education provision in to a market free from government intervention. This 'compromise' can be explained by a theoretical contradiction within the report.

In many respects the Picot Report committed itself to the rhetoric of choice as a means to reform the system:

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15 Picot, B. *et al* (1987) p. 45
In our view too little emphasis has been given in the past to choice within the system – not only to the possibility of parents and students exercising choice in the schools and programmes they will take up or enrol their children in, but also to the possibility of choice for those working in the system.\textsuperscript{19}

However, the report also stated ‘that every student has an absolute right to attend the nearest neighbourhood school.’\textsuperscript{20} This contradiction potentially inhibited the choice of parents from outside a neighbourhood zone (who would be unable to enrol their children in their preferred choice of institution if it was fully-subscribed to by in-zone parents). Furthermore, the report stressed that due to the large value of Crown-owned property involved (school buildings and grounds), ensuring the effective use of these assets was of vital importance.\textsuperscript{21} This implied a role for the state to maintain an appropriate ‘return’ on property, invariably being a viable and successful school. Therefore, the Picot Report committed itself to a contradiction between neighbourhood schools and efficient use of existing resources, on one hand, and choice on the other.

\textit{Administering for Excellence}, in summary, advocated a radical (by its own admission\textsuperscript{22}) restructuring of the administration of education, predicated on the belief that more effective, explicitly business-like, management practices held the key to a vastly improved system of education provision. The Picot Report did not embrace the neoliberal market model to the extent advocated by Treasury. It had nevertheless, clearly been considerably influenced by the theoretical forces reshaping the entire political economy at that time, in particular the alleged inherent inefficiencies of a centralised bureaucracy and the need for government to grant autonomy of decision making to the point closest to decision implementation. The report prescribed that the government step back

\textsuperscript{19} Picot, B. \textit{et al} (1987) p. 29
\textsuperscript{20} Picot, B. \textit{et al} (1987) p. 77
\textsuperscript{21} Picot, B. \textit{et al} (1987) p. 76
\textsuperscript{22} Picot, B. \textit{et al} (1987) p. 6
from the explicit provision of education itself; instead its role was to provide the incentives and autonomy for individual institutions to meet the educational demands of their communities. This resonated with neoliberal theories, but the report also expressed themes of community empowerment, neighbourhood schools, partnerships and a conception of education amenable to traditional (and long established) notions of educational provision.

The Picot Taskforce submitted the report in April of 1988. At this time its status was that of a report, not government policy. In August, Lange presented to the nation Tomorrow’s Schools: The Reform of Education Administration in New Zealand; it was this document that converted many of the recommendations of the Picot Report into government policy. The paper (in its own words):

...sets out the policy position the government has reached following its consideration of the implication of such far-reaching reform. Much of it is an affirmation of the Picot proposals. There are some additions of details. In some areas the government has chosen to depart from the task force’s recommendations.\(^{23}\)

Tomorrow’s Schools

Tomorrow’s Schools, while not legislation in itself, was a clear expression of the path the government was determined to pursue in the restructuring of the education sector. The government made abundantly clear its preference to target administration as the way to improving education provision: ‘Our children will not receive the education to which they are entitled unless our administration of education is effective.’\(^{24}\)

Also important here was the expression of education as an ‘entitlement’, which effectively legitimated restructuring by maintaining a traditional conception of education. Characteristics shared with the Picot Report

\(^{24}\) Lange, D. (1988) p. iii
included a purchaser/provider split (to eliminate any conflict of interests), the devolution of authority and responsibility to individual institutions, the notion of partnership between the school and community, accountability as a concomitant of devolution, and a ‘charter’ to ‘act as a contract between the community and the institution and the institution and the state.’

The concept of ‘community empowerment’ was embraced and extended by Tomorrow’s Schools to a degree beyond its Picot initiator. Lange’s document held much more explicit equity objectives, setting the specific requirement that:

Equity objectives will underpin all policy related to the reform of education... ensure that a new system of education administration promotes and progressively achieves greater equity for women, Maori, Pacific Island, other groups with minority status; and for working class, rural and disabled students, teachers and communities... to ensure that equity issues are integrated into all aspects of changes in education administration and not treated as an optional extra.

Tomorrow’s Schools saw empowerment as improving the relative position of disadvantaged groups as well as enabling communities to participate in the provision of education. Despite this broader notion of empowerment, Tomorrow’s Schools maintained the role of a contractual relationship in the proposed system; a three-way partnership between the school, the community, and the state; built on and mediated by a charter. The charter would be a mission, the result of a collaboration of staff and community, prepared by the board of trustees, and approved by the Minister of Education. It would include ‘not only the overall objectives of the institution but also the knowledge, skills, attitudes and values to be learned in the institution and the standards to be achieved within the national guidelines.’ At this stage, the proposed structure ‘seemed to indicate a

real devolution of power; the state appeared to be relinquishing significant authority to community structures. The implication of this led directly to much controversy and considerable change as the proposals of *Tomorrow’s Schools* were transformed into legislation.

*The Education Act 1989*

When the Education Act was passed in 1989, the relationships heralded by Picot and *Tomorrow’s Schools* had been extensively reconceived, due to:

... unresolved differences in the conception of the charter amongst the state officials who drafted [the] *Tomorrow’s Schools* policy document. What had been conceived of initially as an educational concept was also expected, in terms of the state’s over-riding agenda of devolution, to carry the burden of a contractual relationship.

The potential legal ramifications of the government entering into a *contract* with community bodies (such as boards of trustees) ‘had opened up a number of arenas for potential contestability of government decisions.’ Subsequently, the charter relationship was redefined as an ‘undertaking’ and the community ‘was effectively excluded from the legal partnership.’ In addition, the funding commitment of the Minister to schools was removed. In the original framework this had been expressed as: ‘upon approving this Charter [the Minister] undertakes to provide services and funding to a formula to be determined by the Minister from time to time, to enable the Board of Trustees to meet the requirements of the Charter.’ The deletion of this clause dissolved the potential for the state to be held responsible for schools facing funding problems.

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The primary consequence of this change was that the government had 'shifted the relationship from one of community power to one of the state as principal and the community as 'agent'. This was a major departure from the policy indicated by Tomorrow’s Schools. The state had retreated from a model of devolution (the transfer of actual authority); instead, the legislation amounted to a delegation of responsibility (the reallocation of decision-making autonomy, but not of the parameters within which decisions are made). That is, while schools were granted operational autonomy, the state retained the ability to regulate and influence individual schools.

The state, with a set of policy and educational objectives necessitating control of supply, shifted to a legislative position that ‘acted to protect the state’s central powers and preclude all possibility of litigation.’ Schools became ‘agents of the state,’ a hierarchical relationship wherein schools were ‘empowered to work on the state’s behalf toward the state goals that justify making primary and secondary education compulsory.’ Schools became responsible for delivering outcomes required by the government, although they were no longer in ‘partnership’ with the state because ‘the charter, by stipulating most of the business of schools, was to be a document for regulating the work of volunteer agents’ (boards of trustees). This was not, however, fully consistent with establishing a market in the education sector. Full financial autonomy was not given to schools, as the disbursement and setting of teachers’ salaries (up to 80 per cent of a school’s operating expenditure) remained centrally administered. Furthermore, the contradiction within the Picot Report was not resolved: parents were not free to make the kind of choices envisaged and the commitment to ‘neighbourhood’ schools remained. So while individual institutions were

36 Codd, J. and Gordon, L. (1991) p. 27
pushed to adopting private sector practices in the administration of education, the Act was, in some respects a defeat (or at least a major setback) for market proponents:

Without choice there is no market and without autonomy schools cannot engage in a full range of entrepreneurial activities such as expanding to meet demand or improving ‘quality’ by buying more ‘expensive teachers’.

The latter point infers that, had salary funds been dispersed to schools, boards of trustees could recruit ‘better’ teachers (those with proven experience in enabling educational improvement) and pay more to secure their skills.

The structure established by the Education Act was not a market, a state bureaucracy, nor a genuine development of community empowerment. It was an awkward combination of each, as explained by Gordon in 1992:

Whilst the Labour Government’s policies allowed for the structure of a market model of education to be set up on schools, its contradictory but strongly held commitment to equity in education mitigated against the full realisation of a market approach. The dual goals of equity and efficiency, which in essence meant monetarist [neoliberal] structures and Keynesian practices, in fact provided a barrier to either approach being fully achieved and essentially devolved downwards to individual schools the problem of a contradictory system.

At this stage, Tomorrow’s Schools was stuck in a tension between the objectives of equity and efficiency. These conflicting goals were due to the divided policy approach: a neoliberal agenda that attempted to include explicit equity ambitions. Soon, however, market policies would override equity concerns. The catalyst was the 1990 general election.

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The Fourth National Government

The National Party, victorious in the 1990 election, had (unlike Labour) no such ideological ‘tensions in its policies, and quite overly promoted a market model of education,’ indicated by rhetoric expecting the ability of schools to behave as businesses.\(^\text{40}\) Also, the new government received the 1990 Treasury Brief on education. At eleven pages long, the brief was a fraction the size of its 1987 predecessor; its main thrust was to argue ‘that the Picot Report and its subsequent administrative reforms did not go “far enough” in the creation of a competitive school environment and promotion of parental choice.’\(^\text{41}\) This type of advice was quite amenable to the preferences of National, as evidenced by the July 1991 release of *Education Policy: Investing in People – Our Greatest Asset*. This policy statement, the product of some months of reviews and reports, made apparent the ideological direction of policy by stating in its foreword the government ‘inherited a legacy of over-expenditure in education.’\(^\text{42}\) The document clearly communicated the government’s commitment to achieving efficiency gains in the provision of education by extending managerial practices, establishing accountability and pursuing market-based principles.

The government enacted its preferences for a market-based education system with the *Education Amendment Act 1991*. A key feature of the amendment that was not mentioned in *Investing in People* (but consistent with National Party principles) was the removal of school zoning. This placed schools in competition with each other for students and hence funding. Parents could exercise ‘choice’ and thus send market signals to schools to improve their service offering or to expand in line with demand. The bulk-funding of teachers’ salaries became an option that the government encouraged through financial incentives. It was an

\(^{40}\) Gordon, L. (1992) p. 200
option not enthusiastically embraced by boards of trustees. The strong resistance of teachers and their unions to the policy meant boards would risk alienating school staff by accepting the option.

Sufficient structural changes were introduced by both the Labour and National Governments between 1987 and 1993 to enable the characterisation of the provision of education as a quasi-market. Schools were required to undertake the practices of private-sector enterprises. Parents were endowed with the capacity to exercise choice and actively participate in both selecting an educational environment of their preference, and in contributing to the governance of their selected institutions. Although not a devolution of the power of government, it was a decentralisation of a previous activity of government:

The state would continue to fund, and to a lesser extent provide, services, but as far as possible the system would be subjected to choice and competition, guided by the ‘hidden hand’ of market forces rather than a state bureaucracy. 43

The traditional notion of ‘comparable quality’ of education was displaced by the neoliberal agenda, based on its pillars of choice and competition, expounding ‘the (unwritten) message to compete or perish.’ 44 The provision of education was now structured on the premises of neoliberalism, where education was framed within predominantly economic discourse. Tomorrow’s Schools gave the reform process a title and despite the structure in 1993 being different to that laid out by David Lange in 1988, this title has prevailed. 45

The Tomorrow’s Schools reforms were originally conceived of as a partnership where the state, schools and the community would together participate in constructing an equitable education system providing, above

43 Gordon, L. (1997) p. 68
44 Gordon, L. (1997) p. 78
45 The title Tomorrow’s Schools will hereafter be used to denote the education system as it stood at the end of the 1987-93 period, or to changes during this period.
all, equality of opportunity. By 1993, the reforms had created a system defined by the transfer of administration and responsibility to individual institutions without an associated reduction in (or devolution of) the authority held by the state. During the reform process the notion of a partnership with the state, embodied within a charter, diminished and the relationship became one of a principal-agent arrangement. The result, as Gordon and Codd (1991) point out, is 'that a contractualist state, while distancing itself from civil society, actually increases its regulatory control and its power to shape the political demands and manage economic outputs.' The associated education policy, while not an absolute victory for neoliberalism (due to the incomplete nature of the market), displaced the traditional conceptions of education and its provision. The culmination of the reforms was the commodification of education; a service to be thought of as any other, to be subjected to the rigours of the market. The creation of a market environment was formalised by enabling a framework based on choice and competition. For many commentators of the education discipline, this reconstitution of education was the opposite of their founding beliefs in the area.

The response of education researchers to Tomorrow's Schools

Prior to 1987, education researchers had identified the existing education system as overly bureaucratic, inflexible and slow, and had criticised it on the basis of being elitist, inequitable and widely tolerant of inequality. Furthermore, for many years prior to the reforms, commentators echoed the rising pressure for 'greater parental involvement in the running of schools, for giving schools more operational independence from the Department of Education and for developing closer working relationships between schools and their communities.' While demonstrating the fallacies of the status quo, commentators contributed to

the open theoretical space that became filled by the growing dominance of neoliberal prescriptions. Moreover, the growing neoliberal discourse, as expressed by Treasury, marginalised their policy input by labelling them as having a ‘vested interest’. However, during the reform implementation process and as the outcomes of the reforms surfaced, the articles and reports produced by education researchers provided the outcome predictions of critics of the reforms. A survey of this literature contributes to an understanding of the reforms from an oppositional position and, subsequently, provides the basis for discovering which set of predictions was more accurate as the outcomes emerged: market advocates and the government, or market cynics.

The demands for community empowerment that emanated from educationalists and the broader community were part of, as classified by Ladd and Fiske (2000), the ‘democratic-populist current’ in the demands for change in the provision of education.49 The concerns of this current were addressed by the Picot Report and the initial enabling legislation of Tomorrow’s Schools: the transfer of administrative responsibility to communities. The authors also identified how the Picot Report was permeated, even dominated, by a ‘managerial-business current’, which advocated the decentralisation of decision-making and funding to the point of implementation, and the adoption of business practices in the administration of schools. Tomorrow’s Schools, with the advent of the Fourth National Government came to be increasingly reflective of a ‘New Right-market current’.50 This current advocated the establishment of a competitive market environment. It was the managerial and market currents that education researchers focussed their criticisms on.

Ladd and Fiske’s ‘When Schools Compete’ (2000) explains how these theoretical currents converged in the policy-making arena to

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manifest ‘Three Stands’ of Tomorrow’s Schools.\textsuperscript{51} The first of these, ‘self-governing schools,’ was a product of the Education Act 1989, ‘a combination of the first and second currents: mixing community involvement with management reforms,’ by locating operating responsibility in elected boards at individual institutions.\textsuperscript{52} The second and third strands of Tomorrow’s Schools, respectively ‘Schools as Agents of the State’ and ‘A Competitive Environment,’ reflected the gradual marginalisation of the democratic theoretical current and the increasing dominance of the neoliberal market current. The idea of schools as agents of the state corresponded to the decreased partnership between schools and the state. The competitive environment strand, meanwhile, reflected the shift precipitated by National towards a model based on choice as schools were forced to compete for funding.

In a 1990 publication, Hugh Lauder, then a Professor of Education at Victoria University of Wellington, attacked the assumptions of neoliberalism and the application of it to education by critiquing Treasury’s Education Issues.\textsuperscript{53} Lauder asserted the publication amounted to ‘overt political propaganda’ that presented the neoliberal alternative as common sense and portrayed the existing institutions and policies as abysmal failures without providing strong evidence as a justification.\textsuperscript{54} Lauder sought to show that neoliberal theorists ignored the context in which a market operates: that a ‘free market’ produces a class structure segmented by race and gender wherein equality of ability to exercise choice was a fiction. The basis of this fiction was due to neoliberal policies that are supported by, at best, weakly confirmed economic theories, which (when implemented) exacerbate social divisions.\textsuperscript{55} Lauder concluded that ‘[t]he claim that education has performed poorly is not

\textsuperscript{53} Lauder, H. (1990)
\textsuperscript{55} Lauder, H. (1990) pp. 8-9
made on the basis of research but is an *a priori* deduction from the New Right dogma that all state monopolies are inefficient.\textsuperscript{56} 

In the same volume, Gerald Grace (1990) also explored the ideology behind the prescriptions of *Education Issues*. The motivating concern of his investigation was to answer ‘... is education a public good which should be mediated through a publicly provided service or is it a commodity in the market-place which should be mediated by the normal operation of market forces?’\textsuperscript{57} In addressing this question, Grace identified and defined the prescriptions of Treasury as an ‘ideological manoeuvre’, the vehicle of which was *Education Issues*. As discussed in Chapter Two, the ideological manoeuvre involved reconceptualising education in terms of economic criteria so that it attained the status of a private, rather than public, good. In response, Grace developed an ‘oppositional case’ for the classification of education, which is worth quoting at length:

\begin{quote}
... education can be regarded as a public good insofar as it facilitates the development of the personality, competence, and confidence of all citizens and of their creative and intellectual possibilities. Education can be regarded as a public good insofar as it seeks to develop in all citizens a moral and ethical sense, a social and fraternal responsibility for others and a disposition to act in rational and co-operative ways [...]. Insofar as education provides the basic conditions (at least in the cultural sphere) for making democracy possible, it has an immediate claim to the status of a public good.\textsuperscript{58}
\end{quote}

Education, under this argument, has the status of a public good due to the properties of citizenship it holds and distributes throughout the population. Treasury, with its exclusively economic frame of reference, had ‘an underdeveloped conception of the citizen in education and an over-developed conception of the consumer in education’\textsuperscript{59}, which

\textsuperscript{56} Lauder, H. (1990) p. 12  
\textsuperscript{57} Grace, G. (1990) p. 27  
\textsuperscript{58} Grace, G. (1990) p. 34  
\textsuperscript{59} Grace, G. (1990) p. 35
consequently undervalued the contribution of education to a democratic society.

Concern about the implications of *Tomorrow's Schools* on democracy was shared by other educationalists. Ivan Snook critiqued the reforms in 1997 on the basis of their undemocratic nature, arguing that ‘[r]ight from the start teachers were excluded from discussions about the changes (because they were ‘interested parties’). Fairly soon parents were excluded for the same reason.’\(^{60}\) This was contrasted by the heavy involvement of Treasury, despite an interest in limiting government expenditure and a clear ideological agenda. Snook’s argument is strengthened by a specific example from 1992 when a Parliamentary Select Committee on legislation to introduce the bulk-funding of teacher salaries received more than 800 submissions. All of these opposed the proposal except that of the Education Forum, the prominent education lobby group of the influential Business Roundtable, characterised by its distinctly neoliberal agenda; ‘the chairman of the Select Committee dismissed the other submissions (more than 800) as “ill-informed”.’\(^{61}\)

Other crucial analyses of the situation in the early 1990s have already been identified, such as Gordon and Codd (1991) and Gorcón (1992). Both of these are primarily concerned with the contractual (principal – agent) relationship between the state and schools. What was initially established as a partnership evolved to be an arrangement where the state maintained power while restricting schools to be ‘agents of the state.’ The charter of each individual school was, in effect, a contract for schools to meet educational objectives consistent with those of the state. The study of Gordon and Whitty (1997) further explained the erosion of partnership in a later context. These authors suggested that the full bulk-funding of teachers’ salaries was resisted because:

... many schools fear that once funding and decisions about funding are devolved, the level of funding will be reduced and responsibility for cuts in provision blamed on poor management practices at the school level rather than central government action.62

Bulk-funding would remove the remaining link between schools and the state and conceivably remove the remaining responsibility of the state to schools. The capacity of schools to act as agents was dependent on the transfer of decision-making autonomy to each institution where such responsibility would lie with boards of trustees. This was predicated on the assumption that elected ‘trustees, acting as voluntary labour, would be able and willing (with the assistance of school principals) to carry out the huge range of administrative tasks that were to be devolved from the old Department of Education and regional Education Boards.’63 Therefore, as the implementation of Tomorrow’s Schools progressed the state consolidated its Leviathan position while shifting the focus of concerns of legitimation away from the state: the responsibility and accountability for the provision of education was redirected to the boards of trustees.

The implementation process also signalled the growing momentum of the neoliberal-market theoretical current as ‘the balance of power in New Zealand’s state educational systems shifted’ towards the market advocates.64 The arrival of the National Government and subsequent Education Amendment Act of 1991 heralded the creation of an educational quasi-market. In response to these developments, Lauder (1991) sought to analyse the claim:

... that the marketisation of education will lead to an increase in educational standards and will thereby provide suitably skilled and socialised individuals for an economy

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63 Gordon, L. (1992) p. 188
that will enable New Zealand to compete in the league of high wage, high technology economies.\textsuperscript{65}

The \textit{Lauder Report} (1991) expounded cynicism and genuine concern for the potential outcomes of a competitive environment in education. He also expressed the concern that, by reinforcing its central powers while delegating responsibility, the state could potentially reduce educational expenditure, 'while ensuring that any reaction to the effects of such a reduction are confined to the local level.'\textsuperscript{66} His broader concentration was, however, with the possible implications of pursuing a competitive environment in education and the assumptions this trajectory were based upon. Lauder (1991) questioned the primary assumption behind the reforms: the belief that the education system had been performing poorly and therefore needed restructuring. With reference to empirical research (something that Treasury neglected), Lauder suggested that the available objective evidence 'does not paint a picture of a poorly performing system,' when compared to other OECD countries.\textsuperscript{67} Like Snook (1997), Lauder (1991) also expressed concerns for the implications upon democracy due to the exclusion of particular groups in the policy formulation and implementation process due to their 'vested interests'. This, Lauder stated, 'makes the assumption that the views of certain sectors of the community are valueless simply in virtue of their membership of the group.'\textsuperscript{68}

Lauder's (1991) analysis also served as an indictment of a system based on choice as he detailed the potential outcomes of such a system. For example, Lauder suggested how the exercise of choice by a majority of parents could be inhibited or truncated by a minority who withdraw their children from a school (thus rendering it unviable). Additionally, some families may not even have a choice to exercise; in rural or some

\textsuperscript{65} Lauder, H. (1991) p. 3  
\textsuperscript{66} Lauder, H. (1991) p. 11  
\textsuperscript{68} Lauder, H. (1991) p. 8
urban areas where there is only one school, or under circumstances where the family cannot afford to exercise choice due to the costs involved, such as travel and uniforms.  

In contrast to market advocates, Lauder (1991) cast a cloud over the prospects for education under a market structure:

We can expect an overall decline in educational standards as a result of the creation of an educational market which will be exacerbated by increasing instability within the teaching workforce and by assessment procedures which could introduce a rigid curriculum that will de-skill teachers and stunt the development of initiative and creativity amongst students ... Staff in schools and particularly those in management positions will spend much of their time concentrating on selling the school and making ends meet rather than on exercising educational leadership functions.

Lauder also dismissed the claim of market advocates, such as Chubb and Moe (1990), that private schools were evidence of the appropriateness and effectiveness of devolved responsibility and business-like behaviour. To do so, Lauder argued that the ‘point about private schools is that they can afford the administrative staff to deal with bulk funding,’ whereas government-resourced schools are generally ill-equipped to deal with increased managerial functions. The Lauder Report concluded with a repudiation of the capacity of choice to deliver equality of opportunity:

Many of the recent reforms have been ‘sold’ in the name of choice but the fact is that choice will be limited to those that can afford it, while for the majority the marketisation of education will represent little change or a reduction in choice.

This position inferred that an internal market in education will not realise its own goals. While administration may become more efficient, schools

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72 Lauder, H. (1991) p. 21
overall would not become more effective in their provision of education: those disadvantaged under the previous system would remain so under the new system and their position could perhaps deteriorate further.

Overall, in stark contrast to the predictions of market advocates, educationalists expected the polarisation of schools and consequently, of communities as a result of establishing market policies in education. This expectation was a result of considering the social rather than exclusively economic implications of market policies. The polarisation, or segregation, would be along class and ethnic lines, to the detriment of lower socio-economic status (SES) families, whose children would suffer a decline in educational achievement.73 This decline would be due to the exit of middle class students to better-resourced schools, precipitating a drop in funding to the shrinking school. Middle class families would be able to exercise choice because of their structural location within society. Thus, the marketisation of education would produce benefits only for those able to exercise choice, while the children of low SES families would be confined to schools struggling for resources.74 The inability of all families to attend the school of their preference would be further extended by the ability of popular schools to, once full, regulate the entry of students, again to the detriment of the disadvantaged.75 Research from the United Kingdom, echoed Lauder’s (1991) prediction that a market in education encourages the redirection of school resources (both time and money) towards marketing to promote the image of the school and attract students:

Whilst schools could play a role in facilitating and enhancing parental understanding of the processes and practices of schooling which lie behind the ‘visual images,’ the market inhibits such an approach by putting pressure on schools to focus on what is visible (and/or measurable) rather than what is important.76

That is, school staff, especially principals, would become preoccupied with the ‘image’ of the institution and divert resources to focus on the public perception of the school in an attempt to attract students rather than primarily seeking to educate children. Moreover, this could also change ‘the nature of relationships between parents and schools as the latter are increasingly engaged in the manipulation of images to attract parents rather than inform them.’

Given the predictions recorded here of both market advocates and market critics, the years following 1993 are ideal for analyzing the outcomes of the Tomorrow’s School reforms. Market proponents and government policy-makers maintained that instituting business-like practices in schools and establishing competition for students would drive up education performance. Those opposed to neoliberal policies predicted a system of unequal opportunity that favoured already advantaged families. As expressed by Ladd and Fiske (2000), New Zealand ‘offers a lens by which other nations can see into their own future if they decide to put the same ideas into practice.’ Chapter Three investigates which set of competing predictions was closest to the actual outcomes of the Tomorrow’s Schools policies, and consequently, reveals the appropriateness of an internal market in education.

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Chapter Three

The education system at the end of the National’s first term in 1993 existed as a combination of Ladd and Fiske’s (2000) three strands of Tomorrow’s Schools. First, schools were essential self-governing in that operational decisions had been delegated to individual institutions. Second, through a form of contractual managerialism, schools functioned as agents of the state; while some degree of autonomy was enabled, schools were contractually obligated to deliver the objectives of the state. Third, a competitive environment had been established, where schools were competing against each other for students. The strands emerged progressively, as each shift in policy was marked by an increase in the theoretical authority of market strategies. This structure evolved because from 1987 to 1993, the ideology of neoliberalism approached unparalleled prevalence in government policy. It became increasingly accepted that ‘[i]f schools are forced to compete for the allegiance of students and parents ... they will have the incentive to operate more efficiently and to improve the quality of the programs they offer.’

The outcomes of the Tomorrow’s Schools reforms

The outcomes of Tomorrow’s Schools have been contrary to those predicted by market advocates. Using Ladd and Fiske’s three strands identified above, supplemented by a focus on the class and ethnic dimensions of Tomorrow’s Schools, overall outcomes and the important contribution of sociology of education discourse, it is shown that instituting neoliberal policies in New Zealand’s education system produced undesirable results. Moreover, the outcomes show the predictions of market critics identified in the previous chapter as being highly accurate of the reality of Tomorrow’s Schools.

Self-governing schools

The inception of Tomorrow's Schools decentralised the administration of education to individual schools and dismantled the Department of Education, which was widely regarded as excessively bureaucratic and inflexible. By transferring decision-making responsibility to elected boards of trustees and school staff, the reforms appeased the demands of the critical left and of parents for more community participation in education provision. It also met the demands of those (such as Picot and Treasury) seeking a more efficient system. Ladd and Fiske (2000) regard the self-governing structure as superior to that it replaced and point to autonomy being “willingly embraced” by primary and secondary schools. They do, however, assert that ‘the new provisions for the self-governance created an enormous workload for teachers and principals, and they seriously overestimated the governance and managerial capacity of most schools.' This point is emphasised by Cathy Wylie, of the New Zealand Council for Educational Research (NZCER), who maintains 'school self-management works because of the high workloads taken on by principals, the increase in teacher’s workloads, the voluntary time given by trustees and the additional money which schools have raised.' Subsequently, an area of contention surrounding self-governing schools has been funding; Wylie’s survey records ‘a decrease in real terms (taking inflation into account) in government funding. It is sobering that administration spending rose substantially over this same period, while spending on learning resources actually declined in real terms.' Gordon and Whitty (1997), as already mentioned, documented the possibility of decreased government funding under decentralisation where the reaction of the community would be directed at individual schools as education provision declines. The

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research of Wylie showed the potential for this due to the inadequate funding of self-governing schools:

... [there is] mounting evidence that while schools were probably – initially – sufficiently resourced to carry on their teaching work, they were not adequately resourced for the administrative work that came their way. This could only be accommodated at the expense of other school work, and incentives to improve that work, such as increasing non-contact time for teacher preparation.8

Schools could be blamed by parents for providing insufficient educational resources. Indeed, while the reforms have enabled more operational autonomy for schools to allocate resources, ‘in many schools budget-setting is less a choice between competing options than trying to squeeze the essentials out of an inadequate budget.’9

Under the National Government, the option for schools to receive a bulk grant for the funding of teachers’ salaries was promoted, even to the point of short-term financial inducement. This would have completed the self-management of schools and cut remaining ties with the state. Of the small proportion of schools that chose this option, Snook et al (1999) assert:

Bulk funding per se appeared to have no direct effort on the nature or quality of education being offered within the school; rather, the increase in government funding essentially allowed these schools to do more of the same. This suggests, as critics of bulk funding have argued all along, that what is needed by all schools is more resources not direct resources.10

Furthermore, Wylie (1997) identified that many schools operated with financial deficits, which by themselves challenged the adequacy of the operating grant. Wylie also queried what could happen if such schools

9 Gordon, L. (1997) p. 79
had responsibility for the much larger sums involved in salary disbursement, which would invariably incur additional administrative costs. The inference is the probability of larger deficits.

A founding feature of the self-governing schools doctrine in the *Tomorrow’s Schools* reforms was the notion of partnership. Earlier this discussion explained how this notion was diminished during implementation and replaced with a form of contractualism, whereby the state delegated responsibility to schools and required the attainment of national objectives. The charter, as the basis of the partnership, became in many ways 'little more than a symbolic document.' The erosion of partnership between the state and schools gave rise to the second strand of *Tomorrow’s Schools*: schools as agents of the state.

*Schools as agents of the state*

Despite their operational autonomy, the erosion of partnership empowered schools only to the extent of striving to achieve the state’s objectives. The basis of this strand was a conviction that ‘good school management and governance are the key to educational success.’ A direct consequence of this doctrine was a focus on outcomes and ensuring accountability. The mechanism for this was the Education Review Office (ERO). The function of ERO was to regularly review and audit individual schools to monitor each school’s ability to deliver national objectives and to ensure the compliance of the school as an agent. Itself an agent of the state, ERO’s purpose was (at this stage) to undertake surveillance, not to provide support and guidance for schools. Schools were forced to concentrate on measurable outcomes and were then held accountable, regardless of circumstances beyond their control, such as their level of

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14 ERO has since been reviewed by the Labour Coalition Government and its functions changed to include more support and advice.
resourcing. The focus of ERO had the primary effect of deteriorating further the relationship between schools and the state, compounding the discontent produced by the shift away from the partnership model. The implication of this was expressed by John Codd (1999):

In the pursuit of greater accountability, government policies have produced systems of managerial surveillance and control that have fostered within educational institutions a culture in which trust is no longer taken to be the foundation of professional ethics.\textsuperscript{15}

In this environment, work conditions suffered and morale and job satisfaction declined. This, combined with increased workloads, created an antagonistic school-state relationship. Moreover, the content of ERO reports could aggravate the situation. As Wylie (1997) explained: 'It does not help for the advice ... to be in the form of “work smarter, not harder.” If it was possible, it would have happened by now.'\textsuperscript{16} Snook \textit{et al} (1999) also regarded the school-state relationship as negative, asserting the new structure had ‘been characterised by protracted and ill-tempered disputes between government as employer and teachers as employees.’\textsuperscript{17}

Given this analysis, it is relevant to ask, how effectively have schools been able to function as agents of the state? The previous section described the increased workloads of staff due to administrative burdens, which resulted in resources being diverted. Schools therefore, were inhibited in their ability to realise national objectives. Additionally, the composition of school boards became an integral component of a school’s capacity as an agent. It is an inevitable fact that schools whose students are predominantly wealthy will invariably have, as board members, highly educated and skilled parents. This would facilitate decision-making as board members, be they lawyers, doctors, accountants, company managers or directors, or of some other skilled profession, had a wealth of expertise and confidence to discern appropriate procedures. Conversely, schools

\textsuperscript{15} Codd, J. (1999) p. 45
\textsuperscript{17} Snook, I. \textit{et al} (1999) p. 18
comprised of working class families lacked the managerial acumen available to higher socioeconomic status schools (as elaborated upon later). As Gordon has identified, ‘the actual decisions being made in the poor schools were notably harder and more complex because of the difficulties caused by a market environment.’

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These developments, therefore, forced schools into a contractual structure that placed staff under increasing pressures, the connotations of which impacted negatively on educational processes. Financial and human resources were redirected away from educational provision towards administration. The surveillance of ERO served to damage further the relationship of schools and the state. Compounding this, schools struggling to realise their obligations and directives as an agent were constrained by factors that militated against their ability to function effectively as agents, in particular inadequate resourcing from the government.

A competitive environment

The Education Amendment Act 1991 established the ability for parents to choose the school of their preference for their children’s education by abolishing zoning. Schools were then in competition with each other for students and hence funding. The belief of market advocates was that through the exercise of choice parents would create market signals for schools. Parents, who chose not to enrol in a specific school, or withdraw their child from that school, therefore sent a signal to that school to improve service delivery. This would lead to the continual improvement of education provision and hence educational achievements. The assumption was that parents, faced with the incentive to gather information produced by the market about schools, ‘will make choices which are in their children’s best interests and that choice of schools will

18 Gordon, L. (1997) p. 70
be the result of ‘rational’ cost-benefit analysis. Moreover, this position maintained the removal of zoning constituted equality of opportunity as all parents were empowered to choose the school which they judged to be the most constructive in developing their child’s learning potential. The research evidence suggests, however, the outcomes of competition in education are in contrast to those theorised. Indeed, there is a large base of research from which to make compelling observations.

The primary finding of the Smithfield Project, headed by Hugh Lauder and David Hughes, and which led to the 1999 publication of Trading in Futures, was that education markets lead directly to the polarisation of student intakes along class and ethnic lines, thus exacerbating existing social inequality. There are also numerous publications and journal articles providing analysis of the reforms. Moreover, these works challenge the theory that comprises the basis of education markets, proclaiming that properties of society systematically prohibit an education market from functioning as theorised. This thesis will be explored in later sections of this chapter; for now the discussion will document the outcomes of competition and choice in the New Zealand education system.

The administrative work imposed on schools under the first two strands of the reforms was compounded by the shift to a competitive

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20 The Smithfield Project was a large-scale research investigation undertaken in New Zealand from 1992 to 1996. Initiated with funding from the Ministry of Education, its primary focus was to investigate the impact of government education reforms on a cohort of 3300 students as they moved from Form 2 (Year 7) at primary school to Form 5 (Year 11) at secondary school. An additional focus was to study the enrolment patterns at 11 schools in one city. The extensive data collected and analysed by the Smithfield Project constitutes a major contribution to the literature on markets in education, and the publication of Trading in Futures provides a highly credible basis from which to question market policies in education. For a complete overview of the methodology of the Smithfield Project, see ‘Appendix’ in Lauder, H. and Hughes, D. et al (1999), pp. 139-170.
environment. Increased workloads in this respect were not evenly distributed: difficult decisions and combating major functional challenges were disproportionately bestowed on those schools least able to deal with them. These schools were those perceived as ‘unpopular’ in the marketplace and were overwhelmingly located in low socioeconomic areas. Under the market model, once a school is regarded as unpopular, implicitly on the basis of parents perceiving its service provision to be of low quality, students are removed from the school and enrolments decline. This creates an imperative for the school to improve its processes and educational outcomes to reverse its decline. The New Zealand evidence shows that the loss of students precipitates a ‘crisis of funding’ or ‘spiral of decline’: ‘the costs of stopping or reversing roll decline are very large, and the likelihood of success for schools at the bottom of the market hierarchy is, on current evidence, minimal.’22 This is because schools unfortunate enough to face falling rolls continue to experience quite static operating costs:

... the costs and resources associated with teaching those children who remain in the school are barely reduced at all. Whilst the toilet paper bill might decline, global resources such as heating, library books, school administration and class teaching materials are not reduced because of falling rolls.23

Furthermore, a necessary co-requisite of competition is promotion. To attract and maintain student numbers, schools in a system based on choice must engage in marketing activities, which inevitably increases the costs faced by the school. The implications of this were also unevenly distributed, yet again to the detriment of struggling schools.

By abolishing zoning, a commitment was made to the virtues of choice; however, the enabling legislation also severely curtailed choice and competition by allowing popular or oversubscribed schools to set

22 Gordon, L. (1997) p. 73
maximum rolls. Such a policy (to prevent ‘overcrowding’ of schools) created a distinct market hierarchy. The ability to operate an ‘enrolment policy’ (granted by the Minister of Education) bestowed on schools a degree of exclusivity, instantly making them more attractive, yet unavailable to all those who wished to enrol. Marketing activities were thus unnecessary for such a school, as reputation alone sufficed to deliver excess enrolment demand. In contrast, schools unable to adopt an enrolment policy were forced to compete for those students unable to gain access to the more exclusive schools. ‘Image’ consequently became ‘the focus of change’ as schools strived to convince parents of their quality.\textsuperscript{24}

The schools that were not full were obviously those with excess capacity, or those with falling rolls; as such, the resources upon which they could draw to promote themselves were less than their potential level. The funds that schools put into promotion were in addition to increased administrative costs. Market strategies, such as advertising and other superficial image improvements, were:

\ldots achieved at enormous cost, using funds which would otherwise provide teaching or library resources to students. The irony of market image is that it may be achieved at the expense of real gains in the educational programmes of schools.\textsuperscript{25}

The cumulative impact of \textit{Tomorrow’s Schools}, as this discussion has shown, can now be seen as redirecting resources in struggling schools away from educational processes towards administrative and managerial-business imperatives. Hence, investments in educational areas, which would improve educational outcomes, were superceded by the demands of market forces, which induced a ‘spiral of decline’ within those schools unable to strengthen their market position. Conversely, popular (oversubscribed) schools had no incentive to redirect resources towards promotion; their status at the top end of the hierarchy allowed decision-making to prioritise educational investments, serving to intensify their

\textsuperscript{24} Gordon, L. (1997) p. 75
\textsuperscript{25} Gordon, L. (1997) p. 77
exclusivity. As the researchers of the *Smithfield Project* asserted, the ‘impact of the introduction of the education market was to force the least able schools to compete while the strongest schools were effectively insulated from the market.’ Or, as Wylie (1997) found: ‘Competition is favouring the already favoured schools.’ The impact of the stratified school structure was further exemplified by Ladd and Fiske (2000):

> Because the playing field is not level, competition is not healthy and it leads to a situation in which the benefits to the schools serving advantaged students are intensified and the problems of the schools serving disadvantaged students are exacerbated.

The authors infer here that students of oversubscribed schools were advantaged not due to their attendance of that school, but that these students were *already* advantaged.

*The class and ethnic dimensions of the competitive environment*

Not only was the playing field of competition between schools vastly uneven, but the ability to choose was not evenly or equitably distributed throughout society. Unequal ability to choose was most prevalent among disadvantaged class groups. Resources and income are not evenly distributed through New Zealand; that is unquestionable. Society is subsequently distinguished by socio-economic indicators, with low SES families concentrated in particular areas within cities, such as Otara and Mangere in South Auckland, Porirua in Wellington and Aranui in Christchurch (to name only a few). Moreover, minority groups (particularly Maori and Pacific Island communities) are vastly over-represented in lower-socioeconomic groups, consequently:

> ... the fact that schools with high proportions of minorities also tend to be those with high proportions of low SES students means that schools that start with high proportions

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of minorities are likely to be at a disadvantage in the competitive environment associated with full parental choice.\textsuperscript{29}

This categorically unfair condition is primarily due to the inability of disadvantaged groups to exercise choice as theorised by market advocates. Indeed, in contrast to market proponents, who assumed 'there are no barriers to access across schools within the market, and this includes access to the knowledge required to make informed choices,'\textsuperscript{30} the evidence provided by the \textit{Smithfield Project} suggests '[s]tudents from professional managerial middle class backgrounds are able to exercise greater choice.'\textsuperscript{31} This challenges the basis of the \textit{Tomorrow's Schools} reforms, as Wylie's research makes clear:

If the reforms were to extend parental choice, then all parents should feel they have a choice, particularly those from the groups whose situation the reforms were to improve. Yet it is these very parents who were more likely to feel they did not have a choice of school or – and it amounts to the same thing from the parental perspective – could not access the school of their choice.\textsuperscript{32}

Additionally, in the instance of a school which had an enrolment policy, the choice of disadvantaged families was further inhibited. In circumstances of excess enrolment demand, choice was exercised by schools to select students. This cannot be over-emphasised, because, as stated by Lauder and Hughes \textit{et al} (1999):

\begin{quote}
The logic of the market suggests that schools will recruit those most likely to enhance exam results. ... it is those students from professional and middle class backgrounds who are likely to constitute the best 'bet' in terms of producing the best exam results.\textsuperscript{33}
\end{quote}

\textsuperscript{30} Lauder, H. and Hughes, D. \textit{et al} (1999) p. 43
\textsuperscript{31} Lauder, H. and Hughes, D. \textit{et al} (1999) p. 131
\textsuperscript{32} Wylie, C. (1997) p. 159
\textsuperscript{33} Lauder, H. and Hughes, D. \textit{et al} (1999) p. 50

54
The basis for this, drawing on the sociology of education will be documented later. For now, the important point is that those with the ability to choose ‘tend to gravitate away from low-decile schools (that is, those serving a minority and low SES students) toward higher decile ones (those serving more economically and socially advantaged [students]).’34 Oversubscribed schools reinforced this trend by selecting already-advantaged students. The net result was ‘that ethnic minorities have become increasingly concentrated in the low-decile schools.’35

The hierarchical classification of schools was further entrenched by school practices. State schools were allowed to charge non-compulsory fees; popular schools could ask parents for fees and, although non-compulsory, the stigma attached to being unable to pay most probably deterred some prospective families. In the same vein, Gordon (1997) noted that ‘in the post-reform era more attention than ever has been paid to school dress. They are, in market terms, a portable sign of corporate identity.’36 Uniforms became a sign of prestige, and by requiring (as compulsory) an elaborate and expensive uniform, many schools simply priced themselves out of the possibilities of low-income families. Moreover, the cost of some requirements of exclusive schools, for example resource books, field trips and in extreme cases, laptop computers, compounded the negation of school choice for many families.

The concentration of low-income students, caused by the exit of middle-class students from schools in low-income areas (‘middle-class fight’37) created further inequities. As already indicated, boards of trustees for low-income schools were at a disadvantage because their members will invariably be from working-class occupations, lacking the technical expertise that will be present in the boards of advantaged schools (comprised of individuals with professional and managerial occupations).

36 Gordon, L. (1997) p. 76
This disparity is compounded by the difficulty of the decisions faced by low-income schools: the trade-offs between educational investments and marketing activities as the means to reverse falling rolls. Furthermore, a composition of working-class students has associated complexities. Thrupp (1997) records how schools serving disadvantaged students: will find it difficult to establish and maintain daily routines; will devote significant time and resources to enforcing attendance and procedural compliance; have issues such as homework and attendance perceived as 'largely unwinnable' by teachers; have to deal with more students with serious behavioural problems, as well as students facing serious issues in their personal lives (poverty, family breakdown, domestic violence, to name but a few); have to dilute educational content to accommodate a greater incidence of students with learning difficulties; and, consequently, have more difficulty motivating staff and students.\textsuperscript{38} Resources became further redirected away from educational processes that improve educational attainment.

The inequities between schools were also extended by the capacity of advantaged schools to enrol overseas students. As Gordon (1997) noted:

Schools are now allowed, even encouraged, to market themselves to Asian countries in order to attract 'full fee-paying overseas students'... Some schools may pull in upwards of 70 students and thus half a million dollars!\textsuperscript{39}

Again, the odds for attaining the extra resources from this revenue were stacked in favour of the already advantaged schools. Struggling schools were free to attempt this, but inevitably had fewer attributes to promote and did so by further diverting scarce resources away from educational programmes. Furthermore, schools in advantaged areas were more likely to benefit from school fairs, fundraising drives and open days due to the

\textsuperscript{39} Gordon, L. (1997) p. 78
higher disposable incomes of students’ parents, thus extending their advantage even more.

*Tomorrow’s Schools*, therefore, produced an education system structured in terms of economic advantage: a system of ‘rich’ and ‘poor’ schools. Within this framework, it was only the relatively advantaged families that were able to exercise choice. Logically, these middle-class families sought to enrol their children in schools that reflected their middle-class resources, norms and values, while simultaneously avoiding the problems confronting working-class schools. Consequently, ‘[w]hen a good education is perceived to equate with what schools in predominantly white, middle-class areas offer, such academic choices are revealed as, in reality, social choices.’ That is, academic decisions became determined by factors that are conducive to good education rather than by the educational achievements of schools. Choices of class-discrimination were expressed by criteria such as selecting a school in an area with “fewer social problems,” or not choosing a particular school due to the “low socioeconomic area,” or “undesirable town environment,” the “undesirable young people living on the area,” the “rough element,” or “drugs.” This meant that ‘parents appear to be using the mix of students in a school as proxy for the quality of the school.’ This is known as the ‘school mix effect,’ the product of research by Martin Thrupp, which shows that students attending middle-class schools may attain higher educational standards due to ‘informal contact with higher SES peers,’ exposure ‘to high quality instruction’ (as teachers can focus on learning and not compliance), ‘more efficient or effective organisational and managerial processes, or a combination of these.’

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40 Gordon, L. (1994) ‘“Rich” and “Poor” Schools in Aotearoa’ *New Zealand Journal of Educational Studies* Vol. 29(2) pp. 113-125  
elucidated by the *Smithfield Project* research team, of which Thrupp was a member:

Schools with larger proportions of students with high initial achievement, larger proportions of students with high socioeconomic status, fewer ethnic minorities, stable rolls and the like are at an advantage, and students will perform better in them than they will in schools with the opposite mix of students.45

A direct outcome of the different characteristics of students is that they are potentially classified as the 'wrong' type of student by virtue of their background (working class and/or ethnicity) and the schools that serve these students experience falling rolls as more well-off families transfer to schools that exhibit middle-class characteristics. Moreover, the schools that suffer may well be appropriately and effectively administered; the market does not reward this, instead it imposes suffocating burdens and induces a spiral of decline.46 Thrupp's research of the *Tomorrow's Schools* context within Wellington makes the implications for society clear:

The polarising effects of quasi-market policies will intensify social inequality. This is because students who attend low SES schools may often fail to gain academic qualifications not only because of their own backgrounds, but also because they are attending schools which cannot offer middle-class types of school resources and processes necessary for academic success. Conversely, students who are fortunate enough to attend middle-class schools may be more likely to succeed because they are exposed to the contextual benefits of a middle-class school mix.47

The implications for society are an increased concentration of social inequalities in communities that are already disadvantaged.

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The overall outcomes of Tomorrow’s Schools

By 1996, the quasi-market for the provision (and consumption) of education in New Zealand was well established. Though predicated on theories of choice and competition delivering effective educational opportunities for all, the system produced serious discrepancies between theory and actuality. The benefits of choice and competition pertained overwhelmingly to the already privileged, polarising schools and communities beyond existing social inequalities represented by residential segregation. Administrative reform placed significant burdens on individual schools, while the state absolved itself of responsibility. Those who were able to choose did so on the basis of social concerns, as they sought schools with affluent SES characteristics. Working class and minority families had their notion of choice restricted by financial constraints or replaced by the ability of popular schools to choose students (which had an incentive to select those students most likely to deliver the best exam results).

The school education system in the years after 1993 was therefore a system characterised by advantage and disadvantage, and by ‘rich’ and ‘poor’ schools: a system of inequity. Thus, the predictions of market advocates are challenged by the manifestations of inequality produced by the competitive environment. The removal of zoning, while theoretically giving each family a choice, has been shown only to favour those with the resources of economic advantage. Correspondingly, schools were differentially able to function as ‘agents of the state’ and meet the objectives of the state. Despite this, ‘teachers and principals of unpopular schools are held accountable for the ‘spiral of decline’ because they are seen to have performed insufficiently well to boost the reputations of their schools and hence the size of their student intakes.’

conclusion, in light of the 'school mix effect' is that 'low SES schools appear less likely to be ineffective than overwhelmed.'

In addition to issues of 'choice', it is important to ask whether the policies of Tomorrow's Schools contributed educational improvements, as they were theorised to do. School intake polarisation could be more acceptable if educational attainment had risen across the board with equitable outcomes. The evidence collected throughout the Smithfield Project enabled the researchers to conclude that schools with a favourable (advantaged) composition of students enabled students to ‘perform better in them than they will in schools with the opposite mix of students.’

There is also anecdotal evidence to further substantiate this, as Snook et al (1999) assert: ‘[a] quarter of students in their third year of secondary school at deciles 1-3 [low SES schools] did not sit School Certificate compared with only 4% of deciles 8-10 [high SES schools] and even then, their success was inferior.’

Inequality of access to schools is, therefore, matched by inequality of opportunity to gain knowledge and attain qualifications. Given this, two major inferences arise from Tomorrow's Schools. First, it was quite 'rational' for parents able to choose to select those schools with higher SES characteristics and for schools to select high SES students, and thus (inadvertently) contribute to educational inequality.

Second, Tomorrow's Schools locked the education system into a perpetual cycle of inequality, which correlated to social inequality as low SES families attended low SES schools that led to low SES life trajectories.

Tomorrow's Schools, in summary, operated as a quasi-market: individual schools were required to exhibit the properties of a private sector institution with market-based constraints and incentives; the demand side was deregulated so that consumers could exercise choice; and

schools competed for students in order to maintain viability. This latter feature constituted a major source of contention, because, as the Smithfield Project researchers concluded from their analysis,

The fundamental problem with education markets is that they are designed so that some schools will fail. In allowing some schools to fail, policy makers are also allowing the students in those schools to fail. While the threat of failure may spur some schools to greater heights, if the possible cost of this policy is sacrificing the education of the students in the failing schools, then, in our view, the policy is morally unacceptable.53

It should also be emphasised that the process of a school becoming unviable was not an instantaneous event and could be initiated by only a minority of parents withdrawing their children. The process extended to the students in that their education entered a spiral of decline and, for the disadvantaged unable to choose a privileged school, their education was consigned to attainment below potential. In the Tomorrow's School context, such outcomes were disproportionately experienced by ethnic minorities. Additionally, the proviso behind condoning this decline is further flawed: even if 'successful' (advantaged) schools allowed themselves to expand (which enrolment policies prevent), 'all that would happen is that the problems associated with the schools closing down would be exported to the 'successful' schools.'54 This is further evidence of the inequities inherent in Tomorrow's Schools: advantaged schools were able to protect their advantaged status while government policy allowed disadvantaged students to be catered for by disadvantaged schools. Thus, the faith placed in market policies to provide a fair and effective education system was ultimately misplaced. The Tomorrow's Schools experience, while based on theories that appeared logical, 'demonstrates that overreliance on simplistic solutions can cause considerable harm to both individuals and schools.'55 The policies, therefore, produced outcomes contrary to those theorised by their

advocates. These outcomes did, however, match the prediction of market critics, who believe markets in education inevitably contribute to such outcomes irrespective of how closely they correlate to their private sector models.

The importance of Sociology of Education

Literature based on a sociological analysis of education contributes to a more comprehensive understanding of the features of society that prevent equality of opportunity in education markets. Sociology of education discourse focuses on the prevalence of 'socially differentiated educational attainment' and the role of families and education systems in the perpetuation of distinct class groups within society. In the modern era, this discipline has been influenced by the work of Pierre Bourdieu, a renowned French sociologist, whose theories 'progressed to challenge the optimistic liberal perception of the school as an instrument of social reform and equality.' The school, Bourdieu claimed, 'has become the most important institutional device for the economic and cultural reproduction of almost all social classes' (and therefore of inequality).56

Roy Nash, who has interpreted and applied the concepts of Bourdieu to a wide extent in New Zealand, explains how this reproduction occurs:

Families are differentially endowed with specific resources as a result of their structural location in a class system, and these resources are used strategically in the interests of obtaining for their offspring educational qualifications and an appropriate occupation.57

The resources to which Nash refers are the 'three fundamental guises' of capital: economic, cultural and social.58 Economic capital (wealth)

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56 Nash, R. (1993) Succeeding generations: family resources and access to education in New Zealand, p. 21
endows the holder/family with a capacity of influence and prestige in a market environment, and, as has been shown, affords access to exclusive schools. Cultural capital includes personal characteristics: 'particular styles or modes of presentation, including speech, forms of social etiquette and competence, as well as degree of confidence and self assurance.' It also includes access to material representation of culture (books, painting, musical instruments and exposure to other literature). Social capital is defined by Bourdieu (1986) as 'the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition.' Social capital is, then, a resource that allows an individual to gain authoritative and respected information that available only to those who possess it as cultural capital, or to those who can access it through connections. There are inherent links, indeed an over-lapping cycle, between the forms of capital: wealth enables access to education and knowledge (enhancing cultural capital), which can be inherited by, and articulated to, children, who (in turn) attain wealth. All along, wealthy and knowledgeable members of society are typically members of greater spheres of influence, enabling social connections that access further knowledge and expertise.

In a school context, it is cultural capital that is regarded as 'the most powerful variable' in accounting for the 'unequal scholastic achievement of the children originating from the different social classes'. There is empirical evidence from within New Zealand that 'secondary school students from middle-class backgrounds are somewhat more likely than those from working-class backgrounds to hold and maintain the

60 Bourdieu, P. (1986) p. 49
61 Nash, R. and Harker, R. (1992) 'Working with Class: the educational expectations and practices of class-resourced families' New Zealand Journal of Educational Studies Vol. 27(1) p. 4
dispositions associated with success at school."\(^{63}\) The exposure of middle-
class students to cultural resources develops a capacity of literacy above
that of disadvantaged students. Furthermore, the home-life of advantaged
students is generally more supportive or encouraging of academic work,
and parents are able to use their own knowledge to assist their children in
school-work.

To relate this back to the market context of *Tomorrow’s Schools*,
which few articles appear to have done directly, cultural capital explains
why ‘middle class parents have an underlying confidence that enables
them to exploit the market to their own advantage.’\(^{64}\) Their own success
and familiarity with the education system and beyond means that parents
do not come to the education market as equals (as theorised). Furthermore, it must be noted that the *Tomorrow’s Schools* education
system is unavoidably the product of a middle-class policy formulation
process. The values and norms embodied in educational processes also
originate from the middle class. Subsequently, students who originate
from this background have their cultural capital ‘in the right currency’ to
translate into success at school.\(^{65}\)

Cultural capital also strengthens the explanatory power of the
effect and enhances an understanding of the inequities of
choice. Evidence from the United Kingdom suggests there are ‘very
striking class-based differences in family orientations to the market both in
terms of parental *inclination* to engage with it and their *capacity* to exploit
the market to their children’s advantage’\(^{66}\) (where ‘inclination’ refers to
the ‘underlying confidence’ of the middle class previously mentioned.)
Working-class families may harbour disaffection with education due to

*New Zealand Journal of Education Studies* Vol. 34(2) p. 268
\(\text{\textsuperscript{64}}\) Lauder, H. and Hughes, D. *et al* (1999) p. 45
\(\text{\textsuperscript{65}}\) Ball, S.J. *et al* (1999) ‘Young lives, diverse choices and imagined futures in an
education and training market’ *International Journal of Inclusive Education* Vol. 3(3) p. 211
\(\text{\textsuperscript{66}}\) Gewirtz, S. *et al* (1995) p. 181
their own experience and have little inclination to engage in the market. Additionally, evidence suggests such families 'value locality over and above other considerations' and enrol in the closest school, despite knowledge of 'better' schools. Consequently, choice 'is a socially and culturally constructed phenomenon,' the benefits of which are determined by class (and ethnic) grounds.

The studies of Gewirtz et al (1995) provide further insights that are particularly relevant to the Tomorrow's Schools context. Significantly, the researchers assert that under market conditions the 'emphasis seems increasingly to be not on what the school can do for the children but on what the child can do for the school.' This reinforces the contention that schools have an incentive to enrol middle-class students and subsequently classify other children as being the 'wrong' or 'inconvenient' type. Furthermore, the preoccupation with image in a market system of education creates incentives where 'what is visible and quantifiable is effectively being given more weight than processes and practices which are more intrinsically important but cannot be easily seen.' With the adoption of market behaviour, schools are predisposed to elevate market concerns above educational processes.

Summary

The overall consequence of Tomorrow's Schools was the increased prevalence of inequity in both education and in society. While the administrative reforms that are characterised as 'self-managing schools' and 'schools as agents of the state' established the initial phases of an education system defined by exclusivity and hierarchy, the shift towards a 'competitive environment served to create a system of 'rich' and 'poor' schools. As Snook et al stated in 1999:

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Data indicate that under the choice model followed since 1991, equity consideration have taken second place. There has been a polarisation of schools: middle-class parents have deserted schools in poorer areas; the poor (particularly Maori) have been left behind.\(^7\)

The outcomes of *Tomorrow's Schools* call into question the theory behind the reforms. Contrary to the predictions of market advocates, extending the notion of choice did not correspond to enabling equality of opportunity. In reality, the opposite occurred: middle-class parents had a greater capacity to gain entrance to the school of their preference, while under-privileged families had their capacity to choose restricted by financial constraints or by the ability of popular schools to operate an enrolment policy to prevent overcrowding. This latter development was essentially discriminatory as schools selected students most likely to boost their market image. It was, however, rational for schools to do so, as it was for middle-class parents to seek enrolment in more well-resourced schools. Furthermore, disadvantaged or unpopular schools were compelled to direct resources towards marketing and superficial image enhancement activities rather than to invest in resources that would have direct educational benefits. Advantaged schools, on the other hand, with a status of exclusivity did not need to expend resources promoting themselves and were able to demand higher (non-compulsory) fees and could recruit full-fee-paying overseas students. They were thereby inadvertently able to widen the gap between themselves and disadvantaged schools. These implications and the extent to which these features remain in the current context of education provision and political party education policy are the concerns of the following chapter.

\(^7\) Snook, I. *et al* (1999) p. 1
A simple indication of the reality of *Tomorrow's Schools*:

OK KIDS, WHAT'S IT GONNA BE—KINGS OR AUCKLAND GRAMMAR?

LOCKWOOD'S DREAM—REAL CHOICE IN EDUCATION...


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Chapter Four

The disparity between the theory and actuality of Tomorrow’s Schools (the former professing enhanced educational provision and attainment; the latter evidencing disadvantage) was such that, by 1996, the school-level education system was creating and compounding social inequality rather than alleviating it. Subsequently, the first section of this chapter describes the measures necessary to provide a more equitable education system: a system characterised by equality of opportunity, wherein all students are able to receive education of comparable quality. The second section applies the analysis and insights of this whole paper to the current context of education policies. The education policies of the parties currently in parliament (the 2002-05 term) are examined in order to determine the merits or deficiencies of their proposed provision structures were they to be implemented.

Towards educational equity

Given that the negative consequences directly resulting from Tomorrow’s Schools are now apparent, what measures are required to progress towards an equitable system of educational provision? Equity in this context corresponds to equality of opportunity, the notion that each and every student is provided the opportunity to realise their educational potential. Market advocates contend that this is provided by guaranteeing choice; this discussion has demonstrated that choice favours the already advantaged in their capacity to choose, in their chances of entrance to an over-subscribed school and in their potential for educational success. On another level, educational equity also correlates to fairness (not equality) of education outcomes; that students have access to education of comparable quality and are not disadvantaged by their own backgrounds or school characteristics. Indeed, equity in this regard should be perceived as consistent with directing and concentrating resources towards the least
advantaged. *Tomorrow's Schools* concentrated disadvantaged students in disadvantaged schools.

A major contribution to the indictment of *Tomorrow's Schools* was Martin Thrupp's 'school mix effect', which showed how:

... schools with a high proportion of students with low prior achievement and which are solidly working class or have a high concentration of Maori or Pacific Island students, are likely to perform less well than schools with a more balanced student mix...\(^1\)

Subsequently, intervention is necessary to realise an objective of equity. The most basic (and politically palatable) action a government could undertake would be to 'provide substantial additional resources to low SES schools,' as it is 'difficult to see how considerably lower student-teacher ratios along with more guidance and management staff and funding could not make some difference to the achievement of students in low SES school settings'.\(^2\) From 1995, the targeted funding for educational achievement program 'allocated additional state funding for low-decile schools to offset some of the burden of educating disproportionate numbers of difficult-to-educate students.'\(^3\) It is unlikely, however, that this differential funding was to the level or as comprehensive as that desired by market critics.\(^4\) However, due to the 'spiral of decline' that some low SES schools find themselves in, additional funding is unlikely to significantly alleviate the difficulties faced; disadvantaged schools require extra resourcing to raise the initial funds to a more satisfactory level, not to merely offset the losses resulting from polarisation.

\(^1\) Lauder, H. and Hughes, D. *et al* (1999) p. 132
\(^4\) This is not an unsubstantiated statement; for anecdotal evidence, see Watkin, T. (2003) 'Free Schools: A Legacy Lost?' *Weekend Herald*, September 21, 2003, p. B6
The full implications of school mix are, however, far more significant than prescribing differential funding to attain equity. As this paper has shown, under a policy of school choice, the image and intake characteristics of schools become the primary determinants of ‘attractiveness.’ Concomitantly, parents interpret these characteristics as a ‘proxy’ for the quality of the school, and those able to exercise choice ( advantaged families) actively avoid schools with a predominantly low SES composition. Furthermore, as previously evidenced, financially advantaged students are also likely to benefit from their capacity to excel in education. Consequently, advantaged schools are likely to outperform disadvantaged schools, regardless of differential funding. Therefore:

... providing more resources to low SES schools would be at best a partial measure ... regardless of resourcing, some of the advantageous processes of the middle-class would be impossible to replicate in working-class schools without actually changing the mix of the schools.\(^5\)

Thus the policy approach necessary to ensure equity becomes increasingly interventionist and more likely to be met with strong opposition, especially by middle-class parents. The potential for controversy is further indicated by a conclusion of Lauder and Hughes et al (1997):

Since the school mix or composition of the student body is such a key factor in school performance, it is important that schools have student intakes which are as well balanced on variables such as prior achievement and social class as is possible.\(^6\)

Such a position infers the need for active intervention by government to influence school intake composition. That is, due to the inadequacy of differential funding to ensure equity, ‘intervention to reduce the SES segregation of school intakes is also a necessary measure to improve the overall standard of schooling.’\(^7\)

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\(^7\) Thrupp, M. (1997) p. 386
In order to raise overall educational performance, especially of those students who are disadvantaged, this paper suggests diversity of school mix is required. A policy of zoning, embodied by the notion of a neighbourhood school, can contribute, to some extent, to a more balanced roll. Zoning guarantees enrolment to a school for students within its ‘local zone’, a defined area that takes into account population characteristics and school capacity. It is not, however, a complete solution. Due to the distribution of social inequality based on residential segregation (concentrations of low SES groups in certain areas, and high SES groups in other areas) and the ability of schools to charge (albeit non-compulsory) fees, demand further parental expenditure (field trips and resource costs) and require an expensive uniform, even ‘neighbourhood’ schools can price themselves out of the possibilities of some in-zone families. Zoning could be more effective if used ‘more explicitly to help equalize the social and ethnic mix of schools.’

Equalizing the social characteristics of school intakes, firstly, would be fiercely opposed by the overwhelming majority of middle class parents. The managerial and professional members of this social stratum would employ their considerable resources to lobby and actively protest any such action as being coercive. As under the provision of choice, where middle class parents sought to protect their advantage by enrolling their children in high SES schools, under a proposal to equalize school mix, the same parents would again attempt to protect their advantage. Instituting such an intervention would be, quite simply, politically dangerous. Secondly, such an intervention must place an obligation on

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the state to ensure disadvantaged students are able to participate in and contribute to a high SES school setting, potentially by meeting (or regulating) the additional costs incurred due to attendance of an advantaged school (for example, fees, uniform and transportation). Finally, and most fundamentally, a commitment to equity through intake equalisation would necessitate that education again be reconceived. The conceptual orthodoxy surrounding education would need to be reconstituted on the basis of the contribution of an equitable education system to society rather than merely to the individual. Education would need to be perceived in terms of its contribution to a cooperative democracy and its ability to diminish or even prevent pronounced social inequality.

It should be regarded that the greatest implication of the school mix effect goes beyond the need to ensure balanced school intakes in order to achieve equity. While being an important mechanism to alleviate inequality of opportunity, the need for balanced intakes is overshadowed by the inference that the cause of educational inequality is inequality itself. Therefore, ‘the most effective way of raising educational performance is by reducing poverty and social exclusion.’9 Put differently, educational inequality is a symptom of broader social inequality and addressing educational inequality cannot be done in isolation of measures to ameliorate social inequality. In the context of this analysis of the appropriateness of educational quasi-markets, this is particularly significant. As Lauder and Hughes et al (1999) conclude, by instituting market mechanisms, the focus of policy was ultimately misdirected:

The fundamental problem is that the premise of pro-market advocates is flawed. School organisation, management, and market sanctions and incentives are not the key factors in school success: the prior achievement, social class, ethnic and gender intake and mix of a school are crucial to its success in raw examination results.10

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In light of this, government policy should subsequently concentrate on equalizing structural disparities in society as an over-riding mechanism for addressing educational inequality. Policies which classify the prevalence of ‘socially differentiated educational attainment’ as the product of inefficient management and/or lack of choice exhibit a reluctance by government ‘to accept the possibility that the problems may go deeper than management.’

Overall, therefore, the goal of an equitable education system, defined by equality of opportunity, is an aspiration constrained by social inequality. A diminished conception of equity could be attained through differential funding of the least advantaged schools. However, if funding remains primarily based on a function of student numbers, schools in disadvantaged areas will continue to be disadvantaged. Those families able to avoid low SES schools will continue to do so, negating the impact of supplementary funding. Furthermore, while struggling schools continue to perceive a market imperative to direct resources towards their own promotion and image, the benefits of differential funding could be lost. The school mix effect plays a dominant role in the ‘successfulness’ (both in an educational sense and a market sense) of a school such that any policy initiatives designed to produce equity could be negated.

The insights of the chapter thus far are important in their own right; the means for assessing the appropriateness and ability of education policies to deliver equitable outcomes have been identified. Using these insights, this paper will now focus on the policy positions of those parties currently in parliament. An analysis of the current education policies of political parties will serve two functions. First, it brings the discussion ‘up-to-date’ with government (and opposition) educational policy to reveal if the negative consequences of Tomorrow’s Schools have been adequately

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addressed. Second, it will enable a critique of policy (including opposition and minor parties) on the basis of acceptance of choice and competition principles. Third, it will also serve as an evaluation of the potential effectiveness or ability of the policies to realise stated or theorised objectives.

**Education policy analysis**

*Labour*

The Labour Party is currently in its second term as the senior or dominant partner of a coalition government. In the first term of coalition government, Labour sought to distinguish itself from the previous nine years of National or National-led coalition government. In the domain of education policy, the 1999-2002 'Labour coalition quickly passed legislation to reintroduce school admissions by residential zoning as a way of discouraging market competition and the creation of 'winner' and 'loser' schools.' The new government also abolished the bulk-funding of teacher salaries. The previous National government had actively pursued the policy of enabling schools full autonomy over their budgets, of which teachers' salaries made up the majority. For National, bulk-funding represented the completion of self-managing schools as individual enterprises. Eliminating bulk-funding and reintroducing zoning was passed into law through the Education Amendment Act (2000), the outcome of which was 'a significant step back from the market.' Despite this shift away from the market model, Thrupp (2001) argues that the Labour coalition would be constrained in its ability to institute significant change because of 'contextual factors’ such as a business community committed to neoliberal ideals (which also represents middle-class objectors to zoning), a ‘contractualist’ public sector ‘obsessed with

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cost rather than results,' and the imperative of limiting expenditure (enshrined in the Fiscal Responsibility Act 1994).\textsuperscript{15} Government policy provides evidence that these pressures were unable to be ignored.

The Government’s education policy document, \textit{Education Priorities for New Zealand}, emphasises the importance of education to the economy. Its introduction stresses '[i]f our economy is to grow quickly and in a sustainable way to ensure quality of life for all New Zealanders, we need to develop and keep skilled and talented New Zealanders\textsuperscript{16}. Deficiencies with the existing system are identified, although they are more explicitly related to economic concerns and are presented as education rather than social problems. This is evidenced in the following extract:

Large and persistent disparities in educational achievement and skill levels [exist] at all ages. Too many young people are not succeeding in education to their potential, or acquiring the skills they need for success in adulthood.... This will hamper our efforts to strengthen our economy and society for the benefit of all New Zealanders. We recognise that education outcomes are influenced by wider factors outside of the education sector, but these factors provide the context within which learning takes place and within which the education sector and education policies must work.\textsuperscript{17}

The Labour Government, therefore, does not regard reduction in social inequality as a pre- or co-requisite for a reduction in educational inequality, as suggested by the implications identified in this paper. Rather, it appears that the current administration implicitly acknowledges social inequality but accepts its inevitability and promotes government policy as needing to act around this instead of addressing it directly. Nevertheless, \textit{Education Priorities} does contain the stated goal to '[r]educe systematic underachievement in education,’ including strategies

\textsuperscript{17} Mallard, T. (2003) p. 6
for greater participation of disadvantaged families in early childhood education, concentrating on literacy and numeracy improvements, increasing participation and success in upper secondary qualifications, and facilitating successful transitions to further education, training or employment. These strategies are supplemented by intentions to raise expectations for achievement among all learners, developing the professional capability of educators, strengthening family and community involvement, developing a collaborative and responsive education network and focusing resources on identified priorities. Two over-riding features of these ‘education management strategies’ are statements that the government will be ‘much more explicitly focused on the outcomes and performance of the education system,’ while also committing itself to ‘[i]ntervening directly where quality problems exist, or where there are wider issues of access.’ The government is, then, aligning itself with an interventionist approach to equity while simultaneously presenting a managerialist focus on outcomes and performance. This implies that the government will utilise monitoring and surveillance mechanisms to identify education problems and challenges, and take action to address them. The binding nature of such statements is, of course, unclear and open to interpretation. However, it is clear that there remain struggling schools in many parts of New Zealand.

A recent newspaper article details how many schools are dependant on locally raised funds: ‘In 2001, 78 of New Zealand’s 304 secondary schools received more money from their own fund-raising than they did from the Operations Grant.’ That is, there is a major disparity between the operating expenditure of schools and their government allocations. This gap is filled by funds from school fees and from foreign full-fee-paying students. The implications are obvious. Low SES schools are unable to ask or expect disadvantaged families to pay (non-
compulsory) fees, let alone attract foreign students. This is crucial to bear in mind when a principal states: '[a]ny school that tries to operate on just what the Government gives them will not be delivering the curriculum adequately.' Furthermore:

While parents might assume computers are now an essential part of their child’s life education and Education Minister Trevor Mallard talks up their importance, the vast majority of computers in our schools weren’t paid for by the Government. Despite the government’s fondness for information communication technology (ICT), schools are under-resourced to provide the required technology hardware. New computers and library resources are funded largely through fund-raising drives and the fees of foreign students, continuing the disadvantage of low SES schools.

In addition to the ICT funding shortfall, schools are also struggling under the demands of the shift towards the National Certificate of Educational Achievement (NCEA) assessment regime; ‘While the ministry and NZQA [New Zealand Qualifications Authority] have extra funding for the new system, schools have not.’ Schools, already battling to make ends meet, now need to absorb the costs of implementing a new assessment structure. Low SES schools are thus further disadvantaged.

Labour, therefore, while professing an approach that places collaboration above competition and steps back from the market, is not fully addressing equity considerations. Funding disparities remain and the capacity of advantaged schools to attract local funds (from parents able to pay fees) and overseas students continues the characterisation of the school system as comprising ‘rich’ and ‘poor’ schools. The process of enhancing the middle class remains, while the evidence compels the government to intervene ‘directly where quality problems exist’. Clearly,

the government must act to fulfil policy promises. If Labour's policies fall short of achieving equity, what then are the prospects of opposition and minor parties' policies?

National

The National Party was at the helm of the New Zealand state for the bulk of the 1990s, instituting many of the neoliberal education reforms previously described and analysed. Their initiation of parental choice by abolishing zoning in 1991 was the predominant factor behind the polarisation of schools. Despite this, National remains committed to market principles in education. 'Reaching for the Stars – National's Education Policy' outlines how, if in government, the party would (once again) abolish zoning to maximise parental choice, enhance self-management funding to combine operations, property and staffing (bulk-funding) and build autonomy and encourage private provision.25

The theoretical basis for National's policies is clear; for example, the document states: 'National has far more confidence in school-based decision-making than bureaucracy-based decision-making'; and '[m]aximising choice of schooling for families is a powerful incentive for schools to perform and to be responsive to parental ambitions.'26 The party's neoliberal principles clearly favour a return to the policies of the 1990s, and demonstrate a complete subscription to their effectiveness. The analysis of the previous chapters provides a solid basis to assert that National's policies, based on choice, competition and business managerialism, would only compound educational (and social) inequality by benefiting already advantaged schools and families. Furthermore, as argued previously in this chapter, managerial flexibility and autonomy are not the keys to lifting educational standards, so National's pledge 'to give

26 National Party of New Zealand (2002a)
school boards and the Principals as much flexibility in the use of resources as is practically possible\textsuperscript{27}, is far from a sufficient measure for addressing the needs of struggling schools.

Other features of National's documents are also problematic. The intention to provide the necessary resources for successful schools to expand to meet parental demand\textsuperscript{28} consigns other schools to a 'spiral of decline' that is a drawn-out process with detrimental impacts on those (students and staff) remaining in the school. Also, while expanding (which many schools may resist to maintain exclusivity), market logic suggests schools have an interest in selecting those students most likely to enhance the school's image and performance (clearly not disadvantaged students). National's proposal to '[i]ncrease, over time, the funding for Independent Schools to 50\% of the equivalent entitlement of state schools'\textsuperscript{29} can only be interpreted as a recipe for greater exclusivity at the expense of state funds for state schools. It does not make sense to provide additional funding to private schools when the goal is for state schools to behave more like private schools. Also, the party's policy to 'pay good teachers more'\textsuperscript{30} will make teaching in disadvantaged or challenging schools unattractive. This will be especially so if performance-based pay is determined by exam results as disadvantaged schools are invariably less likely to deliver 'good' results. Moreover, given the party's neoliberal and conservative tendencies, monitoring and surveillance procedures are likely to pressure rather than assist schools to improve. For example, National states: 'The ERO [Education Review Office] has become so politically correct that it will not call failure, "failure", for fear of 'labelling' the school. Government systems are far too slow in responding to schools in difficulty.'\textsuperscript{31}

\textsuperscript{27} National Party of New Zealand (2002a)
\textsuperscript{28} National Party of New Zealand (2002a)
\textsuperscript{29} National Party of New Zealand (2002a)
\textsuperscript{31} National Party of New Zealand (2002a)
Overall, National’s education policies are liable to exacerbate the educational and social inequality that already exists (much of which is a legacy of their 1990-1999 terms in government). This is because the policies are fundamentally similar to those of the 1990s. This paper has emphasised the inability of such principles to deliver equity improvements. However, National does make at least two important observations. Firstly, National identifies the ability of affluent families to manipulate zoning to their advantage by purchasing property in a ‘successful’ school’s home zone: ‘The only winners from Labour’s zoning have been real estate agents and property developers.’32 Secondly, National asserts ‘It is [a] false economy to run large surpluses while schools are in chaos.’33 This implicates the Labour coalition as trading education off against presenting the impression of a sound economy.

Minor parties

New Zealand First, with thirteen parliamentary seats is the largest minor party of the 2002-2005 parliamentary term. The party ‘remains committed to the concept of ‘Tomorrow’s Schools’’, but believes ‘structural refinements are necessary if the policy of local self-management is to be fully functional.’34 It appears their commitment is to the original incarnation of Tomorrow’s Schools, rather than the market model later pursued by National. This is indicated by pledging to ‘increase the amount of discretionary funding for decile 3-10 schools’ and to ‘not pursue a system of bulk-funding of teacher salaries’ without the support of teachers.35 Overall, New Zealand First advocates a proactive

33 National Party of New Zealand (2002b)
35 New Zealand First (2002)
and redistributive role for government in the quest for educational equity, a position contrasted by its parliamentary neighbour, the ACT Party.

A feature in all three MMP elections, ACT has established itself as the quintessential neoliberal party. Its education policies epitomise a neoliberal conception of, and approach to, education. For example, ACT maintains that '[c]ompetition, choice and high measurable standards can deliver the diversity and across-the-board excellence that is required to serve the diverse needs in our community.' ACT's prescriptions for education place complete faith in a market model: completing the self-management of schools by 'providing' schools with full autonomy over their budgets (including staffing), requiring accountability of schools and teachers for results, abolishing zoning, and making parental choice the determinant of funding. These are predicated on the belief that '[p]arents, teachers and principals know what's best for their students, not politicians and bureaucrats', and associated rhetoric expressing the inefficiencies and ineffectiveness of government provision. With language that echoes Treasury's (1987) *Education Issues*, ACT proclaims '[r]esearch strongly indicates that it is the quality of the school and the teachers that makes the difference.' ACT, therefore, is committed to the policies discredited in previous chapters. Their policies are entirely consistent with polarisation, hierarchy and exclusion in education, with parallel consequences for society. Particularly disconcerting is ACT's proposal to '[l]et failing schools close or be taken over by better performing schools.' Firstly, this allows the students in those schools to be failed by the system; nor is it an instantaneous process, as schools and their students decline gradually. Secondly, other schools have no interest at all in 'taking over' a declining school; such a school, in a business sense, is a liability and a highly unattractive investment.

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37 ACT: The Liberal Party (2002a)
38 ACT: The Liberal Party (2002a)
39 ACT: The Liberal Party (2002a)
The Green Party has the same number of seats in parliament as ACT (nine), although that is where similarities end. The Greens believe 'that cooperation rather than competition is what delivers quality education for our students.'

Consequently, the party promotes education policy based on proactive government and differential funding to realise equity goals. As well as establishing a Commission of Inquiry into education (the first since the Picot taskforce), the Greens advocate zoning, smaller class sizes, partnerships between high and low decile schools, increased operational funding, and a review of the increasing demands on parents for financial contributions, and opposes the bulk-funding of teacher salaries.

In short, the Greens promote an interventionist role for the government, far removed from market forces. Such an approach is conducive, to some extent, to enhancing equality of opportunity.

United Future, the surprise of the 2002 election with eight seats in parliament, presents itself as a party based on common sense. Its education policy is simple, characterising education as an investment that requires accountability of providers through measurable outcomes. It also advocates a role for government to increase resources for the initial years of schooling and to provide greater funding for ICT resources. However, overall, United Future probably has more in common with National than Labour on education policy as it prescribes the abolition of zoning to create freedom of parental choice and the increase of support to independent schools. As shown by this paper, a return to parental choice would necessitate considerable resource redistribution to enable even a minimal notion of equality of opportunity.

41 Green Party of Aotearoa New Zealand (2002)
44 United Future New Zealand (2002b)
The Government’s formal coalition partner, the two-seat Progressive Party, holds the ambition ‘to make early childhood, primary, secondary and tertiary education free.’\textsuperscript{45} Its ‘Progressive Steps’ include keeping teachers’ salaries separate from school’s operational funding, increasing operational funding, improving staff to student ratios, and providing additional resources for staff and boards of schools facing ‘extra stresses’ (disadvantaged students).\textsuperscript{46} The general theme of the policies is cooperation and communication, implying a distinct movement away from market practices.

At this point it is interesting to mention the Alliance Party, coalition partner of Labour during the 1999-2002 parliamentary term (before imploding, resulting in the creation of the Progressives and leaving the remnants of the Alliance unable to return to parliament). Dr. Liz Gordon (whose academic work has been frequently referred to in this paper) is the education spokesperson for the Alliance. Consequently, the policies of the Alliance closely correlate to the concerns of Gordon and other educationalists. The party states, for example, ‘Free education, already enshrined in law, will be enshrined in practice too.’\textsuperscript{47} The direct implication is a commitment to equality of opportunity.

Summary and Opinion: The prospects for education in New Zealand

In 2003, the school-level education system in New Zealand remains an uneven playing field where schools continue to be categorised as advantaged and rich or disadvantaged and poor. While abolishing bulk-
funding and re-establishing zoning may distinguish the two Labour-led governments since 1999 from their National predecessors, on the whole, little has changed in the characteristics of schools. Advantaged schools continue to draw on a greater pool of local funds to consolidate exclusivity and attract international students. This enables them to fund more library and teacher resources and ICT hardware to make up for inadequate government funding. Disadvantaged schools continue to struggle under the demands of a state rhetorically but not financially committed to increasing educational capacities, especially in areas of ICT. Meanwhile, all schools are expected to absorb the costs of instituting a new assessment regime. The policies of the Government may be different to their predecessors, but they are doing little to resolve the situation. The policy approach falls far short of an equitable or social democratic provision of education. Schools, particularly low SES schools, clearly require more funding to deliver an appropriate standard of education. And yet despite this, the Labour Government continues to build a substantial budget surplus. Surely the practices of the government can be justifiably questioned. Moreover, if this is typical of Labour’s overall approach, and is consistent with the politics of the ‘Third Way’, then it can also be asked if this amounts to a genuine change at all, or if it a sustainable approach, as Kelsey (2002) has done.48

Unfortunately, the alternatives do not inspire confidence. The major opposition party, National, is wholly committed to the policies that extend the prevalence of existing inequality, consign disadvantaged students to underachievement, instigate the decline of schools serving these students, enhance the exclusivity of advantaged schools, and compound social divisions based on hierarchy and exclusion. These are the virtues of choice and competition in education, not increased educational attainment and ‘better’ schools as promoted by National and ACT. Subsequently, the education policies of those parties on the ‘right’

are discredited due not only to the inability to produce their promised outcomes, but their complete ability to deliver precisely the opposite. Labour, then, need only to distinguish themselves from such policies and ‘step back from the market’ to portray itself as a genuine change. Quite cynically, Labour can direct resources to maintaining this distinction while accumulating a surplus without necessarily markedly increasing expenditure to actually address the situation. In short, tending to the symptoms is sufficient for Labour to preserve the impression of genuine change without substantially addressing the inequity created by previous governments.

However, it must be acknowledged that there is indeed a political trade-off between increasing public expenditure and maintaining the credibility of sound fiscal management. Furthermore, there is an undeniable link between education and economic performance, which creates the imperative to demand efficiency in educational provision, leading to managerial policies. Nevertheless, this discussion has made clear that these trade-offs need to be re-evaluated and consideration given to the contribution of an equitable educational system to society and to the economy. Educational standards can be raised, with positive impacts on the economy, but more importantly, participation and equality of opportunity can be greatly enhanced to enable all students to achieve and contribute to the economy while also alleviating and reducing the incidence of poverty and exclusion. While acknowledging that comprehensive school intake equalisation may be politically untenable, the substantial redirection of resources and additional funding (especially for schools serving low SES populations), combined with welfare policies to ameliorate social inequality, is as possible as it is desirable.
Conclusion

The establishment of a quasi-market in the provision of education was fundamentally unable to deliver the outcomes theorised to eventuate by neoliberalism. The ability of neoliberalism to attain hegemonic status in education was therefore based on untested economic theory rather than on proven arguments.

The expected outcomes of enabling choice and competition included, first and foremost, equality of opportunity. All parents were hypothetically as able as any others to exercise choice and enrol their children in the school of their preference. Second, it was theorised the competitive environment would produce overall improvements in educational attainment as all schools would be faced with the imperative to improve service provision to attract students and maintain viability. Third, the combined effect of the commodification of education would supposedly produce ethnically and socially mixed schools that equipped students with the necessary skills to participate in the economy and thus alleviate the incidence of social inequality. Furthermore, the administration of education was held to be a key determinant of educational improvement by neoliberal theories. Policy advice and government policy in New Zealand came to subscribe to these claims and sought to establish more efficient and explicitly business-like modes of management within schools. The system subsequently developed as one of contractual managerialism. Tomorrow's Schools progressed to institute the competitive environment among schools, thus representing a quasi-market. The response of educational commentators to the development of the reform process represented strong opposition to the theories of neoliberalism. Those critical of Tomorrow's Schools predicted, in compete contrast to market proponents (and the government), a decline in overall educational standards, the redirection of resources away from educational processes, and the polarisation of schools and communities. The competitive environment would, it was claimed, produce a system of
advantage and disadvantage and deprived under-privileged families and students equality of opportunity.

The post-1993 education system therefore provided the ideal setting in which to evaluate the outcomes of Tomorrow’s Schools and determine whether the predictions of market advocates or market critics were the more accurate. Major disparities are apparent between the theoretical outcomes of the policies and the actual results. Indeed, the outcomes closely matched the predictions of market opponents. The autonomy ‘granted’ to schools in the initial reform phases imposed on schools a burden of administrative work without an associated increase in funding. The contractual managerialism model of administration eroded the responsibility of the state, added to the workloads of schools and was inequitable as schools were differentially able to fulfil their functions as agents of the state. These reforms, prior to the creation of a competitive environment established a system of advantaged and disadvantaged schools, where the latter increasingly diverted resources away from educational processes towards managerial obligations. The gap between schools was widened and substantial new challenges were introduced by the shift to choice and competition in 1991. Disadvantaged schools, primarily those serving low socio-economic status communities were severely affected by the market environment. The loss of students to more advantaged schools precipitated a spiral of decline for many low SES schools. These schools became trapped in an insoluble decline as market imperatives redirected resources towards image rather than educational processes that could potentially improve their ‘performance’.

The extension of choice was truncated by the ability of popular (advantaged) schools to initiate enrolment policies. This development exacerbated the hierarchical classification of schools as these schools could concentrate resources on educational investments, attract full-fee-paying overseas students, draw on the greater resources of more privileged families. Furthermore, oversubscribed schools had an incentive to select
those students most likely to enhance their exclusivity (which was shown to be higher SES students). The ‘playing field’ of school competition was, therefore, systematically structured in favour of advantaged schools. Moreover, this inequity was also prevalent in the class and ethnic dimensions of the market environment. Low SES families (which included a disproportionate representation of ethnic minorities) were constrained in their capacity to benefit from the market. Their constant inability to gain access to advantaged schools or educational processes and resources available in such schools, directly produced the polarisation of schools and communities along social and ethnic lines, with an associated relationship to the incidence of social inequality. Moreover, the school mix effect provided further evidence of the education quasi-market’s inability to raise educational standards as schools with high proportions of disadvantaged students were inevitably less likely to be able to replicate the results of more well-resourced schools.

The overall outcomes of Tomorrow's Schools discredit the predictions of neoliberal theory. First, equality of opportunity was not provided by market policies; instead a significant inequality of opportunity prevailed in the competitive environment. Second, this environment was shown to be preventative of improved educational attainment as significant sections of the population were consigned to underachievement. Third, instead of socially and ethnically mixed schools, schools were polarised beyond the level that existed prior to the reforms (due to residential segregation), which further concentrated the prevalence of social inequality. Significant government intervention is required to progress towards an equitable education system. Moreover, government policies which regard the administration of education as the key to improvements in educational standards are ultimately misdirected. Differential funding and zoning contributes to the goal of equity, although only as a partial solution: the school mix effect shows that the intake composition of a school has a direct influence on educational attainment. School intakes should be balanced on criteria of social class and ethnicity.
in order to raise overall educational standards. While the school mix effect is a highly credible and vital theory in explaining the negative outcomes of educational markets, it must be emphasised that social inequality is the predominant factor in accounting for educational inequality. Subsequently, government policy must be aimed at mitigating social inequality to realise educational equity. From this observation, the education policies of the current government and other political parties show that the prospects for genuine change appear minimal. The Labour Government has distinguished its policies from an explicit market model, and is able to accumulate a fiscal surplus and present the appearance of ‘good governance’ without significantly addressing the current situation of a prevailing hierarchical school system. Meanwhile, the major opposition party, National, remains committed to the policies of choice and competition that have been shown to produce distinct inequalities. Substantial redistribution of resources to disadvantaged schools is a minimal requirement of the government to progress New Zealand’s education system towards educational equity.

There are serious inadequacies with neoliberal policies in education, and also in the current context of education provision and policies. Many potential avenues for further research have been opened by this realisation. These include research to discover an appropriate funding regime for schools that prevents disadvantage, and determining a policy approach that combines education and social welfare policies to diminish social inequality. Funding of schools could be potentially based on the capacity of the school rather than student numbers. Also related to this would be research to devise more appropriate methods to assess the performance of schools, rather than raw exam results. The educational contribution of a school should be measured in terms of the addition made to the learning potential of the student, instead of an end-of-exam mark. Another avenue for investigation could consider the life trajectories of students as they leave disadvantaged or advantaged schools. One could hypothesise that students who attend disadvantaged schools are unlikely to
make a transition to further education and well-paying jobs, while richer students have greater entrance rates at university and end up in more elite professions. However, perhaps most significant is the need for further research concerning the policies of the Labour coalition government, and the politics of the ‘Third Way’. Is the overall approach of this government really a significant shift away from neoliberalism? Or, has neoliberalism become entrenched in New Zealand politics?

Overall, the neoliberal policies of instituting a competitive market in education and restructuring administration of education have been, in New Zealand’s experience, unable to realise the goal of an equitable education system. Instead, these policies, implemented in New Zealand from 1987 to 1993, actually established an education system that exhibited acute inequity in provision, with grave implications for society. These implications substantiate the assertion that there remains a dominant role for the government in the provision of education to ensure the benefits of education are equitably available and distributed throughout the population. Unfortunately, the legacy of these policies remains as schools continue to be distinguished by advantage and disadvantage. There have been lessons from Tomorrow’s Schools, yet it appears the government has learnt little from them.
References


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