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TERTIARY SURVEILLANCE.

Examining the Panopticon in New Zealand's Tertiary Education Sector.

By Craig Ashcroft.

A Thesis submitted in fulfillment of the requirements for a Master of Arts at the University of Otago, Dunedin, New Zealand.

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ABSTRACT

This thesis examines the contemporary New Public Managerial (NPM) discourse being applied to New Zealand's tertiary education sector. It presents a comparative analysis of NPM with a metaphorical representation of Jeremy Bentham's eighteenth century prison design called the panopticon. I argue through a concept of Managerial Panopticism that under the current reforms New Zealand's tertiary education sector risks evolving into a society of control. Within this system New Zealand's academics exist within an institutional environment that appears to allow them a sense of personal (and academic) freedom beneath a complex and sophisticated matrix of technologies and bureaucracies that serve to monitor their activities in perpetuity beneath the ceaseless gaze of a new Tertiary Education Commission. This thesis argues that the proposed TEAC reforms could lead to academic docility as individuals focus more upon their performance (producing competitive performance-based research or maintaining high levels of participation in the courses they teach) rather than upon their research and teaching (measured by the production and dissemination of knowledge).

In 1999 a Labour/Alliance Coalition was elected as New Zealand's Government and introduced a new 'Third Way' approach to politics and reform. This new approach, despite claiming to be informed by a centre-left ideology, served to reinforce the NPM style of administration introduced by previous neo-liberal governments during the latter part of the twentieth century. This thesis will argue that the reforms undertaken by the Labour/Alliance Coalition (as an extension of the reform process established during the 1990s) could seriously erode the traditional culture of the university and replace it with an environment built upon superintendence and distrust.

Michel Foucault claimed that the apparent neutrality and political invisibility that existed within certain forms of governance allowed power to be exercised with maximum effect because it was hidden from view. In the case of NPM, the technologies that would be applied to regulate and control individuals within their institutions created the false impression that NPM actually served the interests and well-being of those encompassed by it.

This thesis examines the way that the docility created by Managerial Panopticism restricts New Zealand's academics' traditional role as the nation's 'critic and conscience' because of the way that the new technologies of management work to silence alternative discourses beneath an encompassing meta-narrative of neo-liberalism. Managerial
Panopticism exists as a new apparatus of power that employs techniques of coercion that provide individuals with a sense of opportunism if they comply. I argue that this sense of ‘opportunism’ is actually an illusion used to stifle any possible resistance to the reform process.

Through this thesis I help create a space where constructive debate over the future directions of New Zealand’s tertiary education reforms can occur. This debate is essential if New Zealand’s universities and academics are to maintain the capacity to act as the nation’s critical conscience and to exercise academic freedom.
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This thesis is dedicated to both of my children:

To Toby and to Hanna-Rose
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ABBREVIATIONS.

ACC  Accident Compensation Corporation.
AUS  Association of University Staff.
CEO  Chief Executive Officer.
CORE Centre of Research Excellence.
EFTS Equivalent Full-Time Student.
ESRC Economic and Science Research Council.
HEDC Higher Education Development Centre.
IMF  International Monetary Fund.
ITF  Industry Training Federation.
ITO  Industry Training Organisation.
NPM New Public Management (or) New Public Managerialism.
NZAPED New Zealand Association of Private Education Providers.
NZBR New Zealand Business Roundtable.
NZVCC New Zealand Vice Chancellor’s Committee.
OECD Organisation for Economic Co-operation and Development.
PBRF Performance-Based Research Fund.
PCT  Public Choice Theory.
PTE  Private Training Establishment.
QAANZ Quality Assurance Authority of New Zealand.
SDF  Strategic Development Fund.
TEAC Tertiary Education Advisory Commission.
TEC  Tertiary Education Commission.
TEI  Tertiary Education Institution.
TELAC Tertiary Education Learning and Assessment Centre.
TES  Tertiary Education Strategy.
TNC  Transnational Corporation.
UGC  University Grants Committee.
WTO  World Trade Organisation.
So to arrange things that the surveillance is permanent in its effects, even if it is discontinuous in its action; that the perfection of power should tend to render its actual exercise unnecessary; that this architectural apparatus should be a machine for creating and sustaining a power relation independent of the person who exercises it; in short, that the inmates should be caught up in a power situation of which they are themselves the bearer.

-Michel Foucault (1977: 201)
CHAPTER 1

Introduction

The University: past, present and future

This thesis examines tertiary education reform within a New Zealand context. While it retraces the reforms of successive neo-liberal governments during the latter part of the twentieth century, the reforms imposed by the 1999 ‘Third Way’ Labour/Alliance Coalition Government receive the greatest level of attention. In focusing on the Labour/Alliance Coalition Government, this thesis offers a speculative account of the possible ramifications that the Coalition’s tertiary education agenda could have on the various universities within New Zealand. More importantly, it looks at how these changes are likely to impact upon the many individuals engaged in teaching and research within New Zealand’s universities.

The contemporary university, within the traditional understanding of the term ‘university’, owes its origins to the Renaissance period where an earlier Greek/Classical tradition of intellectual scholarship was restored to the institution (Gould, 1999). Throughout the historic Dark Ages the role of the academic or scholar was simply one of transmitting a fixed and unchangeable body of knowledge that was predominantly determined for everyone by corrupt sovereigns and overbearing religious institutional leaders. But around the Renaissance period a new vision of the university
was formed, presented within the enlightenment discourse of such notable philosophers as Immanuel Kant. This vision of the university viewed intellectual scholarship as the pursuit of new knowledge, a voyage of discovery where the final destination was always unknown (Patterson, 1997). This model of the university (described within this thesis as the 'modern university') focused upon two activities; the research and production of knowledge (existing and new) and the transmission and dissemination of that knowledge (Peters and Roberts, 1999).

In critiquing the Kantian model Michel Foucault (Danaher et al., 2000) suggested that the traditional disciplines of the modern university tended to view the functions of production and dissemination in a self-indulgent way. Foucault argued that the various disciplines tended to give precedence to their own knowledge and research without considering alternative forms of knowledge and research. Firstly, academics within the various disciplines presumed that the knowledge they produced through their research culminated in a new, often absolute 'truth'. For example, historians often viewed their newly discovered 'truth' as an explanation and evaluation of the formation of a particular nation, state or ideology. Psychologists and/or philosophers would regard their new 'truth' as some higher awareness of the realities of the 'self'. Secondly, within these disciplines there was a general belief that their newly discovered 'truths' aided in supporting the progressive evolution of civilisation, continually
serving to make the world and society a better place. What was often ignored within this view was that where one ‘truth’ was produced and disseminated, another equally valid ‘truth’ was often rejected or repressed.

In New Zealand a neo-liberal market driven form of economic ‘truth’ has underscored politics since the early 1980s and this has brought about a huge shift in government policy. However, this emphasis towards economic priorities was not distinctly a New Zealand phenomenon. The Fourth Labour Government that was elected in 1984, guided by neo-liberal theories and strategies defined within a New Zealand Treasury Brief Economic Management (1984), introduced the same kind of ‘right’ thinking policies that were already prevalent within Reagan’s American administration and Thatcher’s British government. This was predominantly a monetarist approach to economy, state and welfare (Beatson and Shannon, 1990). Britain and the United States had both pursued, to varying degrees, a policy agenda of devolution and privatisation with a view to deconstruct and corporatise the public service sector under a new code of competition and efficiency.

One crucial area of reform within New Zealand was education and this included a major transformation of New Zealand’s universities. Part of the underlying philosophy of such reforms has been the belief of a succession of governments since 1984 that higher education had a
significant role to play as an "industry of the future" supporting New Zealand’s economy and society (Peters and Roberts, 1999: 66).

As global economies are no longer bound by the linear borders of traditional nation states, the university’s Kantian principles of producing and disseminating knowledge, and acting as the ‘critic and conscience’ of society, have gradually diminished (Readings, 1996). These traditional qualities of the modern university and its academics, though still present, are slowly being replaced by a managerialist discourse that defines higher education within the technocratic vocabulary of ‘performance and accountability’ (Ball, 1999; Peters and Roberts, 1999). The term ‘discourse’, as applied within this thesis, is described by Michel Foucault as representing ‘language in action’, a set of ideas, statements and assumptions that exist as part of our language that allow us to make sense of, and perceive, the world around us (McHoul and Grace, 1998).

The issue of globalisation and its impact upon individual nation states raises a number of issues for the institutions of higher education within them. Should universities become international institutions, providing research and development to meet the needs of the global

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1 Thesis note: Throughout the course of this thesis the term Globalisation will often appear to take on a meta-narrative status and be attributed with animate qualities. This particular use of the term is representative of its general application within neo-liberal and so-called ‘Third Way’ discourses where it is constructed as a ‘universal truth’ accepted by all. By attributing the term ‘Globalisation’ with animate qualities, various New Zealand Governments have been able to provide the illusion that the reality of globalisation is beyond their control.
marketplace? If so, how would this impact upon the university’s role in providing higher level education and acting as a nation’s critical conscience? These questions need to be addressed if we are to fully understand what implications any meta-narrative notion of globalisation will have for state level democracy, and what role the university will play in supporting the preservation of any sense of a national identity (Peters and Roberts, 1999). These same questions become more vital when we accept that internal policies in many countries are being overtly influenced by such organisations as the World Trade Organisation (WTO), the International Monetary Fund (IMF), the World Bank and the Organisation for Economic Co-operation and Development (OECD). These organisations have continually advocated the diminution of the sovereign powers of the traditional nation state in favour of a more economically determinist transnational environment (Peters and Roberts, 1999). They have promoted theories of Human Capital, Public Choice and New Public Management to governments in an attempt to remove the traditional distinction between ‘education’ and ‘industry training’ and to construct new forms surveillance within education systems as part of their desire to build an all-encompassing global knowledge society.

In the case of New Public Management (NPM), it exists as a technique that could be used to govern and ‘control’ the activities of institutions and individuals. This thesis will show that NPM discourses
could be applied in a way that appeared to give them ‘animate’ qualities that seemingly allowed them to function by their own inertia. In this sense, governments could claim that NPM operated outside their own political agenda as a ‘neutral’ system of management that was beneficial in supporting the interests of the institution and all its ‘stakeholders’.

The purpose of this Thesis

This thesis explores the 1999 Labour/Alliance Coalition’s attempts to reconcile the burgeoning cost of tertiary education provision with an increase in demand for participation in higher level education. This thesis also examines the Labour/Alliance Coalition’s own ‘Third Way’ agenda to rebuild the nation, strengthen community partnerships and create a knowledge society. After almost two decades of neo-liberal marketisation and state-sector devolution the Labour/Alliance Coalition set about to reintroduce an interventionist model of government in a redefined world where individuals had been identified, labeled and subjected as ‘consumers’. Within this same redefined world, education existed as a trade-able ‘commodity’ and universities were expected to ‘perform’ to stakeholder requirements.

This new interventionist model of government continued to draw from the theories and philosophies of its neo-liberal predecessors. This included pursuing systems of institutional management that combined
theories that accounted for people's behaviour (i.e. Public Choice Theory) and economic indicators that ensured the efficient responsiveness of institutions in delivering their educational 'output'. This approach to governance was aptly named New Public Managerialism (NPM).

NPM encompassed a sector-wide system of monitoring, inspection and review that would increasingly impose a sense of perpetual surveillance upon New Zealand's tertiary education sector. For academics actively involved in research and teaching within the various universities, the new management culture would make them individually accountable for their performance as a teacher and for the outcomes they achieved through their research. In terms of their teaching, academics could be measured for their ability to attract and maintain high participation within their various programmes, the general pass/fail ratio that their programmes produced, and for the practical use (in economic/vocational terms) of the credential given at the conclusion of the course. In respect of their research, academics could be evaluated for their efficient use of funding during the process, for the innovative potential (often determined by economic indicators) of their research outcomes, and for their capacity to produce stylish and glossy reports and brochures to publicise and sell their research product.
Within a tertiary education sector that is increasingly imbued with NPM modes of constant inspection, monitoring and review, this thesis compares the current NPM discourse with a metaphorical representation of an eighteenth century disciplinary apparatus known as the Panopticon. Through a process described by the author in this thesis as Managerial Panopticism, it is argued that the recent tertiary education reforms could lead to academic docility as individuals focus more upon their performance (their capacity to produce competitive performance-based research or to maintain high levels of participation in the courses they teach) and less upon their actual teaching and research (the Kantian ideal: producing and disseminating knowledge).

**Looking at the Chapters**

At the outset Chapter 2 examines the neo-liberal approach to reform as undertaken by the Fourth Labour Government in 1984 and by successive National governments during the 1990s. While this material has received significant attention within the literature over the last ten years it appears here for two important reasons. Firstly, it provides a necessary foundation to the latter reforms and ideology that are the main focus of this thesis. Secondly, although this thesis revisits the neo-liberal reforms of the 1980s and 1990s, it does so with a different theoretical purpose than many of the other accounts.
One of the key insights offered in Chapter 2 is an alternative perspective of the ‘Third Way’ agenda introduced by the 1999 Labour/Alliance Coalition Government. Because the Labour/Alliance Coalition took a more ‘hands-on’ interventionist approach to governance, many commentators (LaRocque, 2001; Duncan, 2002; Logan, 2002) attributed the ‘Third Way’ as a return to an earlier social democratic ‘centre-left’ model of government. This thesis challenges the ‘centre-left’ assumption. By looking at how the so-called ‘Third Way’ has been applied in New Zealand, this thesis argues that while the Labour/Alliance Coalition did take a more interventionist role in government, it did so in a world that had been almost completely redefined by neo-liberal discourse. This thesis contends that the ‘Third Way’, rather than being a return to ‘centre-left’ politics, is actually another evolutionary step in the ongoing development of neo-liberalism.

Chapter 2 also examines the marketisation of education by exploring the neo-liberal conceptualisation or subjection of the individual as a ‘consumer’ and the objectification of education as a ‘commodity’. Accompanying this is an analysis of Public Choice Theory. By examining the economic approach of successive neo-liberal governments during the 1980s and 1990s, and by deconstructing Public Choice Theory, Chapter 2 introduces the key elements of New Public Managerialism.
Chapter 3 follows by focusing upon tertiary education reform in New Zealand, particularly between 1984 and 1999. However, the chapter also examines New Zealand's tertiary education history, starting with the establishment of New Zealand's first institution (the University of Otago) in 1869. The rationale for this brief historic journey is that it describes the context in which New Zealand's tertiary education sector existed for over a hundred years before the advent and application of neo-liberalism and New Public Managerialism. In particular, Chapter 3 begins by recreating the university in New Zealand between 1960 and 1980 when a Keynesian discourse attributed tertiary education institutions as potential nation building tools in a time of academic prosperity.

Chapter 3 then goes on to look at how the New Zealand Treasury, the OECD and other powerful lobby groups began to assert their political influence upon the Fourth Labour Government after 1984. Chapter 3 also looks at a number of the key reforms and recommendations made during the 1980s and 1990s with regard to tertiary education in New Zealand. Among other significant developments, the chapter discusses in detail the 1997 Tertiary Green Paper and the 1998 Tertiary White Paper. The Tertiary White Paper, in particular, established a framework for future reform and was still clearly an influential document during the Tertiary Education Advisory Commission (TEAC) led reforms of the 1999 Labour/Alliance Coalition. The Tertiary White Paper, along with the
Tertiary Green Paper to a lesser degree, signaled a clear intention by the architects of reform to include NPM technologies of management in any future tertiary education system.

Chapter 4 introduces the blueprint for the 'Third Way' knowledge society as envisaged by the 1999 Labour/Alliance Coalition Government. Confronted by the perpetual problems of burgeoning costs and rising participation, the Coalition Government set about promoting participation as an advancement of the nation's human capability while maintaining that consumers were obligated to pay for their educational investment. Chapter 4 provides a chronological analysis of the four TEAC reports, the May 2001 Labour/Alliance Coalition Budget and the December 2001 Tertiary Education Reform Bill.

Chapter 5 explores the role of academics within New Zealand's tertiary education sector. The chapter begins by re-examining the tertiary education reforms of the 1990s with an emphasis now given to the changing role of the university within a contemporary western context, and how this change has impacted upon the university's academics. This is followed by an examination of the increasing pressure that has been placed upon universities during the 1990s and under the 1999 Labour/Alliance Coalition to develop more vocationally-orientated degrees. Part of this vocationalisation of tertiary education is linked into
the commodification ethos of the neo-liberal discourse. But there are also links between vocationalisation and the development of New Zealand’s human capability within the Labour/Alliance Coalition’s vision of a knowledge society. Chapter 5 examines this vocational drive by looking at how it affects the role of academics through the teacher/student and teacher/institutional relationships. In this chapter I argue that academic freedom is being divested from New Zealand’s higher level education institutions, raising some major concerns for the future of New Zealand’s tertiary education sector (and for society as a whole).

Chapter 6 explores the way that NPM systems of monitoring and surveillance have been applied within New Zealand’s tertiary education sector. This chapter focuses particularly upon managerialist discourses and their predisposition towards matters pertaining to institutional and individual performance and accountability.

Chapter 6 also presents a discussion on issues of tertiary education access, opportunity and participation by students and other ‘stakeholders’, examining these issues in terms of consumer costs and obligations, and through contestable, performance-based research models. The chapter pays careful attention to institutional management by examining the NPM preferred contractual model of governance for the tertiary education sector. Finally Chapter 6 raises the issues of performance and
accountability by examining how these issues were conceptualised in the 1990s in the *Tertiary Green* and *Tertiary White Papers*, and in the new millennium by the Labour/Alliance Coalition Government. In this sense Chapter 6 begins to demonstrate how NPM technologies serve to control the activities of individuals (academics) employed within tertiary education institutions.

Chapter 7 is a central chapter within this thesis in that it introduces the idea of panopticism to New Zealand's tertiary education system. Chapter 7 compares Bentham's eighteenth century panopticon to NPM as it is currently applied within New Zealand as a consequence of the reforms of the late 1990s and of the 1999 Labour/Alliance Coalition. The chapter also examines panopticism (as a metaphorical representation of a form of surveillance) within contemporary New Zealand tertiary education reform. In doing this, the chapter gives specific attention to the 1998 *Tertiary White Paper*, the 2000/2001 TEAC Reports, the 2001 Labour/Alliance Coalition Budget and the December 2001 Tertiary Education Reform Bill. A significant discussion introduced by this chapter is the way that NPM technologies and discourses can sometimes appear to take on 'animate' qualities as systems of management that exist and function by their own inertia.
Chapter 8 follows directly from Chapter 7 by examining panoptic modes of surveillance as they exist within New Zealand’s tertiary education sector. Whereas Chapter 7 focused primarily upon institutional practice, Chapter 8 examines the role of the individual within those institutions. It begins by exploring the concept of the individual subject. In particular, it looks at how individuals have been labeled and subjected under neo-liberal and ‘Third Way’ discourses. The chapter then introduces the concept of Managerial Panopticism as the creation and application of new modes of monitoring and surveillance (the perpetual gaze) being imposed upon the lives of academics that are currently employed within New Zealand’s tertiary education sector.

Chapter 8 also looks at the recent path of tertiary education reform (as espoused by the Labour/Alliance Coalition Government). This includes a critical analysis of the Tertiary Education Commission and the Government’s Tertiary Education Strategy. The chapter also looks at the various institutional processes that have been established within New Zealand’s universities (using the University of Otago as an example) to support the government’s need to monitor the actions and behaviour of academics. Within this discussion I demonstrate how individuals become a part of a panoptic process by monitoring their own activities and behaviours in accordance with the various expectations imposed upon them.
Chapter 9 examines the legacy created by the 1999 Labour/Alliance Coalition Government. It is a legacy of ‘Third Way’ interventionist neo-liberalism. As stated earlier, in Chapter 2 I will argue that the so-called ‘Third Way’ is not a ‘centre-left’ political discourse but rather, an evolutionary step in the ongoing development of neo-liberalism.

The significance of the discussion in Chapter 9 is that within the new make-up of the 2002 minority Labour Government the future of tertiary education in New Zealand appears to be one filled with increased surveillance. Chapter 9 demonstrates how the new Labour Government has endorsed the TEAC Tertiary Education Strategy and given it the same ‘animate’ qualities that I attribute to NPM discourses throughout this thesis. As the new Labour Government moves ahead with its own tertiary education agenda, enchanted by a vision of participation within a global knowledge society defined by ‘innovation’ and ‘human capability’, I argue that New Zealand’s tertiary education system will be continually exposed to a new discourse of Managerial Panopticism. Chapter 9 discusses how Managerial Panopticism will increasingly become a ‘living’ part of the lives of New Zealand’s academics by ensuring that every individual within the tertiary education system is exposed to constant supervision.
This thesis is about creating a space for debate. It presents a very bleak and disheartening picture of the future in New Zealand’s tertiary education system, particularly for individuals engaged in research and teaching within this system. I argue that the reforms proposed by the 1999 Labour/Alliance Coalition Government, riding on the wave of a tertiary education environment defined and characterised by two decades of neoliberalism, is likely to impose an expectation of a sense of academic docility within New Zealand’s universities. But while systems like Managerial Panopticism may threaten to diminish the great ‘critic and conscience’ attributes of institutional autonomy and academic freedom that once defined our tertiary education system, they will never completely eliminate the voices of resistance. As long as there is a space for debate, and as long as there are those who are willing to engage in such a debate, this thesis does not discount the possibility that New Zealand’s tertiary education system will survive the managerialist onslaught to retain its fundamental Kantian character.

* * * *
PART ONE

The Tertiary Education Sector in New Zealand

Why do the same questions recur so frequently as though many people, at different times and in different places, were reading from one script?

Henry Reynolds (1999:1)
CHAPTER 2

The Rise of Neo-Liberalism in New Zealand:
Reforming the State 1984-1999

In order to understand how the education system within New Zealand has transformed itself from an earlier social democratic and centralised model inherent within the Keynesian welfare tradition, it is essential that one appreciates the significant changes that have occurred within our economic and social policies during the latter half of the twentieth century (Peters and Roberts, 1999). This chapter offers a detailed analysis of the changes that occurred within our social, political and economic spheres after the election of New Zealand’s Fourth Labour Government. The chapter will begin with an overview of New Zealand prior to 1980, offering a rationale for the need for reform, before moving on to examine how three successive New Zealand Governments between 1984 and 1999 translated the neo-liberal agenda into policy.¹ The chapter will also give an introductory overview of the agenda of the Labour/Alliance Coalition Government elected in 1999. There will also be a detailed description of the neo-liberal market view of education along with a discussion of Public Choice Theory (PCT) in that PCT is one of the

¹ The three successive Governments were the Fourth Labour Government 1984-1990, the National Government 1990-1996, and the National/New Zealand First Coalition Government 1996 (which became a minority National Government after August 1998).
main arguments often presented as a justification by neo-liberals for the implementation of New Public Management (NPM) policies. Finally, the chapter will offer a critical overview of neo-liberalism and the path of reform as experienced by New Zealand over the last two decades.

The New Right: politics and reform

*The Fourth Labour Government*

Immediately following the Second World War, and leading right up until the oil crisis of 1973, New Zealand's unemployment rate never exceeded more than one per cent of the total workforce. Economic growth accelerated at a steady 4.5 per cent per annum and following the bitter waterfront strike of 1951, industrial relations were generally harmonious throughout the 1950s and, for the most part, the 1960s (Rudd, 1997). During the 1950s in particular, New Zealand experienced an urban shift that placed housing at the forefront of the internal political agenda. The stereotypical nuclear family moved into suburbia and established itself as the subjected ‘norm’ of New Zealand society (Knox, 1991).

The First Labour Government (1935-1949) had introduced a Keynesian policy agenda that became the main economic and social guide for New Zealand right through to the early 1980s. Keynesianism was a democratic socialist philosophy and the role of government was conceptualised in a paternalistic sense, advocating a bureaucratic
interventionist approach into the lives of citizens. This intervention was considered fundamental in supporting appropriate citizenship and maintaining wider social and economic order, equality and opportunity. The Keynesian model introduced by the First Labour Government offered a wide range of social provisions across health, housing, social welfare and education (Beatson and Shannon, 1990).\(^2\)

Crucial to the economic management of New Zealand was the establishment of complex, hierarchical statutory organisations and the implementation of a progressive taxation system to fund the burgeoning state sector (Dixon, 1997). The First Labour Government also introduced a policy of import-substitution in an attempt to generate a level of self-reliance within the economy by protecting the country from external market fluctuations in the pricing of manufactured goods (Beatson and Shannon, 1990). By also implementing policies designed to redistribute the nation’s internal wealth, the government was able to maintain a demand for locally produced goods, supporting and maintaining full employment. Therefore, it could be argued that throughout the 1940s and 1950s, the Keynesian model of governance was able to promote rapid economic growth within a climate that fostered redistributed prosperity.

\(^2\) The catch-cry of the time was that every individual within New Zealand had a right and an expectation to receive health, welfare and education services funded by the State from “the cradle to the grave” (Beatson and Shannon, 1990: 166).
The National Party secured office in 1949 and remained there predominantly until 1984, except for the periods 1957-60 and 1972-75 which were held by Labour (Beatson and Shannon, 1990). It, too, followed the Keynesian line with few adjustments. Nevertheless, it did fail to maintain the level of welfare and health benefits in line with the real value of actual wages (Rudd, 1997). But even the Second Labour Government (1957-1960) demonstrated a subtle shift in ideology, supporting private home ownership over its earlier state housing policy, doing so at the benefit of middle income earning families and at the detriment of lower socioeconomic groups (ibid.). So, although the period was generally considered a highly prosperous time for the average New Zealand family, that prosperity was greatest when that “average New Zealand family” was just that; the stereotypical, patriarchal, single wage earning nuclear family. Those who did not fall into that category often missed out on their share of the proverbial pie.

New Zealand’s economy showed signs of faltering in the late 1960s and early 1970s when it became apparent that the country was vulnerable as a trading nation (Easton, 1997). While the impact of the oil crisis of 1973 cannot be underestimated, Roper (1997:1) suggested that “the world recession in 1974 [marked] a crucial turning point in New Zealand’s economic history”. Roper argued that this transformed New
Zealand's prosperous economy to one that was characterised by stagnation and rising unemployment.  

By the end of the 1970s high unemployment, economic stagnation and rising inflation had ravaged the New Zealand economy (Kelsey, 1995). Despite the efforts of a National Government under the leadership of the late Sir Robert Muldoon to employ an interventionist/Keynesian approach to governance, there had been a failure by the state to solve these fundamental issues (Peters and Roberts, 1999).

Guided by the New Zealand Treasury, the Fourth Labour Government, elected into office in July 1984, introduced a neo-liberal market approach to economy, state and welfare (Beatson and Shannon, 1990). The 1984 Treasury Brief *Economic Management* was to be the blue-print for managerialist reform by espousing neo-liberal guidelines for the corporatisation, marketisation and privatisation of the State and all its responsibilities (Peters and Roberts, 1999). Beginning with the 1984 Brief, the New Zealand Treasury helped to influence the Fourth Labour Government into pursuing a free-market ideology towards policy that

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3 Roper (1997) went on to discuss how, after the oil crisis, New Zealand experienced a decline in its terms of trade, generating a significant deficit that resulted in a devaluation of the domestic economy. In an attempt to offset the deficit, King (1999: 39) wrote “the Muldoon government borrowed heavily while the ‘safety net’ of the welfare state came into action in an attempt to prevent the collapse of domestic demand”.
would ultimately serve to reform New Zealand's economic and social environment (Peters and Marshall, 1988).

Upon taking office, the Fourth Labour Government began a system of devolution and deregulation by overhauling the economic infrastructure of the State. This neo-liberal approach to economy was called Rogernomics after the Labour Minister of Finance, Roger Douglas (Beatson and Shannon, 1990). It began with the strategic corporatisation and sale of specific state owned assets, the first step to minimalising state sector control and intervention (Lauder, 1996). Crucial legislation enacted by the Fourth Labour Government included the 1986 State Owned Enterprises Act which led to the sale of such assets as Telecom, the 1988 State Sector Act which introduced NPM and PCT surveillance mechanisms into the public-sector institutions, and the 1989 Public Finance Act which imposed contractualisation and fiscal accountability upon the public-sector and its managers.

This altered the way services were accessed by the general population. Services that had formally been a State provision now began to operate under a 'user pays' rationale. This was in line with the fundamental neo-liberal belief that the private citizen would be a more efficient contributor to society if his/her lifestyle and consumption was
governed and dictated by the competitive law of supply and demand.


The justification for privatisation [had] its home within free-market economics and, in particular, within the neo-liberal economics of Hayek, Friedman and the public choice school, developed from the work of Buchanan and Tullock.

Although the neo-liberal reform process had begun in 1984, attention to the education sector did not really emerge until the 1987 Treasury Brief, *Government Management*. This Brief promoted a new economic direction that espoused notions of transparency, accountability, the removal of ‘capture’, and improvements in cost-effectiveness. Essentially, through this Brief and the accompanying *Education Issues*, Treasury argued that inefficiencies inherent within an educational system characterised by state control and intervention would only be improved through the promotion of consumer choice, the maximisation of institutional flexibility and responsiveness, the establishment of monitoring systems that could assess performance and accountability, and a minimalisation of state-sector provision (Olssen, 2000).

According to the 1987 Brief, the government’s sole agenda within education was to support principles of competition to benefit the choices and opportunities made available to consumers. In this regard, it was the government’s responsibility to ensure that the institutions were given clear targets and objectives and that institutional managers were not given conflicting goals. The government was also responsible in ensuring that
the institutions were offered clear incentives to fulfill their targets and appropriate disincentives when they failed to do so. This meant that the government would need to ensure that the institutions were monitored continually for their performance and effectiveness in meeting the demands of the education consumer (Olssen, 2000: 31). There is little doubt that the 1987 Treasury Brief, as presented to the Fourth Labour Government, prescribed the roles of both the public and private sectors within the discourse and narrative of Public Choice Theory (Peters and Marshall, 1988).

The 1990s and beyond

In November 1990 the National Government was elected into office and immediately followed the new right agenda established by the Fourth Labour Government and adopted a policy of "creating an enterprise culture" (Olssen, 1997: 392). This included further cutbacks and reforms to the social welfare sector, major reforms of industrial relations with the introduction of employment contract bargaining (in May 1991), and the implementation of a profit driven health service.

4 Thesis note: I do, at times, include page numbers as part of references where I have not directly quoted the original author's work but believe that my representation of that work is so close to the original to require the same referencing conventions as a direct quote.
The National Party, in its campaign prior to the 1990 general
election, had committed itself to maintaining the existing level of funding
within the health sector, to abolishing the controversial surtax on
superannuation, and to removing the standard $1,300 annual fee for
dinary education (Kelsey, 1995). Accompanying this agenda was a
determination by the Party to restructure the welfare state, reduce overall
public expenditure and eliminate the fiscal deficit (ibid.). The National
Government’s 1991 Budget, presented by its Finance Minister Ruth
Richardson (prompting cries of “Ruthenasia” from the opposition)
delivered significant cuts to the value of most social welfare benefits. It
also set the scene for a decade of continued reform, signaling a complete
restructuring of the way in which social services and income support
would be delivered within New Zealand.

As a consequence of the reforms poverty exposed itself in a more
obvious way within New Zealand society (Peters and Roberts, 1999).
Adding to a burgeoning in the demand for social services was the negative
impact of the Employment Contracts Act, an Act that served to
disenfranchise large sections of the workforce by depleting their collective
collaborating capabilities, creating a significant drop in real wages (ibid.).
The Act also served to redefine the nature of employment and created a
new ‘casualised’ workforce for whom job security and protection from
exploitation had been seriously eroded.
Nevertheless, the formation of a National/New Zealand First Coalition Government after the first MMP election in 1996, accompanied later by Jenny Shipley’s replacement of Jim Bolger as Prime Minister, signaled a further shift to the political ‘right’. The 1998 Budget continued to follow the marketisation ideology but moved significantly away from associating equal opportunities with the notion of choice to a more fiscally driven and financially motivated economic policy.

The Labour/Alliance Coalition Government, elected in 1999, continued, to some extent, to follow the market policies of the previous three governments. However, in following the practices of Tony Blair’s British government and Gerhardt Schroeder’s German parliament, it claimed to have attempted to create a balance between the dividing forces of the market and the collective needs of society by adopting a third political ideology (as opposed to Keynesianism and neo-liberalism). This new ideology was aptly named the ‘Third Way’ (Logan, 2002).

Within the ‘Third Way’ framework it is contended that neo-liberalism failed because it emphasised individualism and neglected the community. Much of the so-called ‘Third Way’ ideology as it has been applied in New Zealand was drawn from the work of British sociologist Anthony Giddens, writer of the 1999 book The Third Way: the Renewal of
Social Democracy. Giddens believed that there were no boundaries between government and civil society. He believed that government and society should act in partnership, each able to exert control upon the other.

The way that the Third Way approach has been practiced within New Zealand initially attempted to step away from the individualism associated with neo-liberalism by focusing instead upon the community and upon the family unit which was perceived as the basic community structure within society (Logan, 2002). This was problematic in that recent policy does not generate a singular and specific model of 'family'. Nor is it likely within the contemporary context that any government will successfully define the shape and structure of the universal 'family unit'. Therefore, given the diverse and dynamic nature of families, policy often falls back to dictating on behalf of the individual.  

Jane Kelsey (2002) offered an interesting critique of the Labour/Alliance Coalition's Third Way approach, suggesting that it was

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5 As a post-script to this thesis: the July 2002 general election led to the creation of a minority Coalition Government. This featured the Labour Party (still under the leadership of Helen Clark), and Jim Anderton's Progressive Coalition Party (a splintered faction of the Alliance Party that had moved more towards the centre of the political spectrum). Because the new Coalition Government was only a minority government, it made a formal arrangement with the surprisingly successful centre-right United Party for guaranteed support over issues of confidence and supply. Part of this arrangement would see the establishment of a Commissioner for the Family (a United Party initiative) that would oversee policy development and implementation in terms of its impact upon the New Zealand 'family'. In this sense, the United Party, a centre right conservative Christian-based Party, had a very clear understanding of what constituted a family and this involved the traditional patriarchal unit defined through the sanctity of marriage. Many sectors of New Zealand's media have since critiqued this new government arrangement as another "lurch" to the political right (Otago Daily Times, 2002b: 2).
an unprincipled agenda that lacked any coherent strategy and survived solely upon crisis management and charismatic inertia. Kelsey described how the Labour/Alliance Coalition had continued to fail in delivering the three fundamental tenets of the Third Way philosophy: building (or rebuilding) the nation, forging significant community partnerships and promoting a ‘knowledge society’.

Kelsey claimed that the Labour/Alliance Coalition, despite its rhetoric of rebuilding a nation that had been ravaged by two decades of market policies, remained committed to an agenda of ‘globalisation’. This was clearly evident in the Coalition’s response to the September 11 attacks within the United States. After ‘9/11’, the Labour/Alliance Coalition Government made a number of commitments to the United States in terms of supporting a globalised alliance against the so-called ‘axis of evil’. In this sense the Labour/Alliance Coalition not only remained committed to globalised free-trade and investment policies but it also made substantive military and collateral agreements too. This included an increase in domestic surveillance legislation enacted with minimal democratic input.

With respect to the forging of stronger community partnerships, Kelsey (2002a) pointed to the Labour/Alliance Coalition’s relationship

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6 Reference to the 11 September 2001 terrorist attacks upon the World Trade Centre in New York and the Pentagon in Washington. These events are sometimes referred to as ‘9/11’. 
with the business sector, suggesting that it remained as significant as the relationships that existed between the business sector and successive New Zealand governments during the 1990s. Kelsey did concede that the Labour/Alliance Coalition established partnerships with various marginalised minority groups within the wider community, but suggested that many of these partnerships were superficial and only served to depoliticise those groups involved (Kelsey, 2002a). Nevertheless, despite appearances that the Third Way favours marginalised minority interests, Kelsey argued that the policies of the Labour/Alliance Coalition dictated that where conflict arose between economic and community considerations, the economic considerations would always take precedence (Kelsey, 2002, 2002a).

Finally Kelsey (2002a) critiqued the notion of a 'knowledge society', coming at a time when the government was seeking to reduce all public expenditure on education. Kelsey focused upon the key word 'innovation'. In New Zealand the Labour/Alliance Coalition saw possibilities for the promotion of a knowledge society through innovation in three areas. The first of these areas was Information Technology. But as Kelsey (2002) noted, even the Labour/Alliance Coalition had conceded through Pete Hodgson that New Zealand had probably "missed that boat". The second area of innovative potential foreseen by the Labour/Alliance Coalition was Biotechnology. Kelsey (ibid.) suggested that the
possibilities for biotechnology (except within the controversial area of genetic engineering) were limited to minimal benefits within the agricultural sector and therefore had virtually no economic benefit to the nation at large. Finally, the Labour/Alliance Coalition saw the potential for innovation within creative arts sector. Here Kelsey (ibid.) used the fashion design industry as an example, arguing that free-trade agreements with third-world textile producing economies had decimated the clothing manufacturing industry in New Zealand, undermining any economic base upon which the local fashion design industry could fully demonstrate its innovative potential.

It would appear that the Labour/Alliance Coalition Government remained committed to neo-liberal notions of individualism and choice, using the so-called ‘Third Way’ label to put a social face to its inherent New Public Managerial agenda. The Labour/Alliance Coalition continued to support economic policies promoted by transnational bodies such as the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF) and the World Trade Organisation (WTO) (Kelsey, 2002a). But unlike the devolutionary governments of the 1990s, the Labour/Alliance Coalition supported greater state intervention, generating higher levels of surveillance over the individual, the family, and the various minority groups within society.
This new-found desire to intervene in no way resembled the paternal ‘grand-fatherly’ role of successive governments in the earlier Keynesian era. Neo-liberalism had served to individualise society and label individuals as the sovereign agents of their own consumption (Ashcroft, 2001). Having achieved this, Third Way governments were then able to re-impose bureaucratic intervention to control the activities of the individual in a redefined world driven by performance, accountability and consumerism. In this sense it is possible to argue that the Third Way, rather than being an alternative to neo-liberalism, is actually its next evolutionary phase. Within this sense, by implementing the ‘Third Way’ interventionist approach after the establishment of a neo-liberal environment, the Labour/Alliance Coalition would be able to impose new levels of monitoring, inspection and review upon New Zealand’s institutions and individuals. Later I will describe such processes of monitoring, inspection and review as Managerial Panopticism.

The Market View of Education

Neo-liberalism as an ideology represents, to some extent, a renewal of the early liberal philosophies developed from the seventeenth century. These earlier ideals were ‘reinvented’ in the twentieth century by a number of commentators, the most notable being Frederich Hayek (Olssen, 2000).
Hayek believed in the power of the market as a mechanism capable of constructing and ordering the 'natural' shape of society, thus making it a more effective regulating force than the traditional state apparatus. His main objections to central governance was that it was generally inefficient and therefore, ineffective, and that it impacted upon the freedom of the individual. Foucault (Danaher et al., 2000) believed that neo-liberalism was a response to the heavy interventionist policies of many European states during the eighteenth century. Neo-liberalism, according to Foucault, shifted the government's role of constructing interventionist policies designed to protect the security and prosperity of the state to one that provided opportunities for free enterprise and self autonomy for the individual. Foucault (ibid.) suggested that one of the great ironies of liberalism demonstrated itself when the first liberals attained power in Britain in the early nineteenth century. As a consequence of their liberal agenda, there was a significant increase in government legislation, not a decrease as proposed by liberal philosophy.

With respect to education, New Zealand has had a long history, dating back as far as the Education Act of 1877, of supporting the notion that all education was a public good activity. The 1987 Treasury Brief, *Government Management*, challenged this long-held view, claiming that any notion of civic responsibility or compulsion within education
demonstrated an attack upon the well-being and freedom of the individual (Gordon, 1997).

New Public Managerialism represented the driving force behind the 1987 Treasury Brief's adoption of an inherently neo-liberal view of education. This neo-liberal view maintained that education for the individual was a private good that could be commodified for market exchange with the responsibility of cost being offset against its consumption and carried by the consumer. The consumer would make appropriate choices based upon their own specific and individual needs (or wants) and, in doing so, would determine the educational institutions most appropriate in fulfilling those needs (or wants). This particular view of education, often referred to as Public Choice Theory (PCT), claims that under a public good regime of welfare/Keynesian ideology, the educational institution becomes a reflection of society's values and politics and, as a consequence, neglects the sovereign rights of the individual (Coons, 1995).

Accompanying the Public Choice view of education was that of competition. In this sense it was argued that the absence of competition

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7 The neo-liberal/market view that education is a private good assumes Adam Smith's epistemology with regard to Human nature, maintaining that the self-interested individual should purchase the education they choose to consume and benefit from (Lauder, 1996). This view maintains that education is simply a tool used in the acquisition of marketable skills.
would lead the education system to become inefficient and therefore ineffective. In this case, conflicting interests would undermine the relationship that existed between the educational providers and the labour markets they served (Lauder, 1996).

In referring to this new competitive ethos and its impact upon the tertiary education sector within New Zealand, Peters (1992) examined the 'vocational' impetus, pointing out that according to the neo-liberal ideology, knowledge only had value in its ability to be applied. This view of education implied that like all other products and services that existed within a deregulated market place, education had currency in its exchange value. Any knowledge that had no immediate vocational function (e.g. Classical French Poetry, Postmodern Educational Philosophy) therefore had limited practical value as a subject being offered for study.

Over the course of the last two decades New Zealand has attempted to increase participation within the tertiary education sector in response to a universal western application of Human Capital Theory to education (Fitzsimons, 1997). Combined with an emphasis on vocationalising the tertiary education sector to meet consumer demand, successive governments have viewed tertiary education as an economic resource capable of facilitating opportunities for developing New Zealand's competitive edge within wider global markets (Ministry of
Education, 1994). This view of tertiary education appears, at times, to contradict itself. Tertiary education, as constituted within various discourses of globalisation, is considered to be an important economic resource capable of generating opportunities for internal national growth. Notwithstanding that, according to the rhetoric, the tertiary education sector can only succeed as an economic resource if it functions autonomously which requires the various universities and other Tertiary Education Institutions (TEIs) to operate as quasi-transnational corporations. The assumption underpinning the neo-liberal ideal is that the market will regulate the activities of the tertiary sector institutions for the private good of the consumers who use them. However, successive New Zealand governments have foreseen the public good potential of our tertiary education sector in supporting national interests in the face of international trends towards globalisation. This is where the contradiction lies. The public good potential of the tertiary education sector would require regulatory intervention from central government.

Public Choice Theory

Within New Zealand during the last two decades of the twentieth century successive governments were driven by an ideology that promoted reduced spending, competition and the devolution and privatisation of the way that education was exchanged (Peters, 1992). Although the economy was predominantly the central focus of the neo-liberal reforms, attention
was also directed towards public-sector institutions. Unlike their counterparts within the private-sector, the public-sector institutions did not have the pressures of the market to guide their use and allocation of resources (Olssen, 2000). As a consequence, it was argued that those working within the public-sector organisations would more than likely pursue their own private interests ahead of the public interests that their organisation represented (Treasury, 1987).

Public Choice Theory, primarily developed from the work of James Buchanan and Gordon Tullock, encouraged the application of neo-liberal/market-based economic theories to public-sector organisations so that such organisations became subjected to the same forces that impacted private-sector organisations (Jones and May, 1999). According to Mark Olssen (2000:21)

PCT represents an application of economic models and theories to politics on the assumption that economic behaviour (homo economicus) describes the true state of human nature and thus is applicable to all aspects of life.

Public Choice Theory, like neo-liberalism, maintains that while people will not always choose the same, individually they have the ability and instinctiveness as 'autonomous choosers' to select what is most appropriate for themselves. They will act as 'agents', representing their own best interests (Olssen, 1997). According to this line of reasoning individuals within society should be encouraged to become self-supporting, economically viable persons operating within a free market
economy. The state should adopt a *laissez-faire* approach to governance, reducing all traditional forms of welfare as an incentive for work, including the advancement of self-education to enhance individual marketable skills, for the private good of the individual, thereby endorsing the autonomous nature of the free market consumer. The PCT view of the individual, referred to within this thesis as the ‘neo-liberal subjection of the individual as consumer’, maintains that "*people have a right and an obligation to provide for themselves*" (Beatson and Shannon, 1990:199).

This is the fundamental belief of the market philosophy, neoliberalism and PCT. Supporters of the so-called New Right proclaim that choice is a basic human right, an absolute democratic principle (Coons, 1995). Individuals should be free to act in their own best interests and state intervention should be minimised. In short, the private good of the individual should always precede the public good of society (Lauder, 1996). "*The State cannot be a parent*" (Sowry, 1997:6).

In terms of Public Choice Theory within the New Zealand context, the 1987 Treasury Brief argued for

*minimal government, confined mainly to the determination of individual rights, and for the maximum exposure of all providers to competition or contestability as a means of minimising monopoly power and maximising consumer influence on the quality and type of services provided.*

Public Choice Theory as an ideology is based on the assumption that all individuals in society are given an equal footing at birth and therefore have an equal opportunity in life by being self-determining and self-motivating individual members of their society (Lauder, 1996). This view claims that under a system of state intervention certain powerful lobby groups will always influence policy, promoting conditions suitable for themselves without giving any regard for the needs of other individuals within society. In this sense, the welfare state mentality that underpinned the Keynesian philosophy did not truly serve to redistribute the resources of society in an equitable way across the various stratified classes. According to the proponents of PCT, the redistribution tended to occur within class structures so that those class groups who already had greater access to the economic and political resources of society received a greater share of the resources during the redistribution process (Ashcroft, 2001; Peters and Marshall, 1988).

For those who supported neo-liberal reform, this raised a concern regarding the Keynesian model. This was the notion of middle class capture. Within this discourse it was initially argued through the 1984 Treasury Brief to the incumbent Labour Government that those members of society who had the greater substantive wealth within society actually consumed a greater proportion of the state subsidised education system than did those within the lower socioeconomic classes. The conclusion
drawn from this argument was that the traditional model of education that had served New Zealand for over one hundred years was simply not an effective mechanism for providing the egalitarian ideal (Ashcroft, 2001; Harker, 1990; Peters and Marshall, 1988).

Conclusion

Since 1984 successive New Zealand governments have imposed a market-based ideology upon the New Zealand environment. From 1987, with the publication of the Treasury Brief Government Management, those governments have viewed education within the discourse and rhetoric of commerce, as a commodity for trade and exchange responsive to the competitive law of supply and demand. This has clearly been the consequence of a neo-liberal imposition upon New Zealand's political and economic sphere (Ashcroft, 2001; Kelsey, 1995). Neo-liberalism has served to espouse concepts of managerialist economics and Public Choice Theory, the tools and mechanisms of the contemporary New Public Managerial approach to New Zealand's domestic administration and control.

Proponents of this market ideology have always argued in favour of the sovereign rights of the individual as opposed to the collective cohesion of society (Lauder, 1996). They have promoted individual 'agency' through the notion of 'choice', and have maintained that parents
and individuals would exercise choice in the pursuit of education, and that they would choose the best educational option to suit their own specific individual needs and wants.

In order for choice to be an equitable form of consumption it has been assumed that all individuals within society begin on an equal footing and, therefore, have the same equal opportunities to exercise their power of choice as everyone else. This is a meritocratic assumption based on the notion that every individual within society could succeed through a combination of hard work and motivation, and by being able to exercise a degree of autonomous choice (Ashcroft, 2001).

Critics of marketisation have argued that Public Choice policies have not proven to be an effective ‘equaliser’ within New Zealand’s education system (Ashcroft, 2001; Gordon, 1997). They contest that the over-arching neo-liberal hegemony that drives contemporary New Zealand education actually requires inequalities in order to succeed (Ashcroft, 2001). Further, they have indicated that choice leads to an increasing polarisation not just between educational institutions (Gordon, 1997) but also between different social classes within society (Nash, 1993). Those members of society who have greater access to the economic and political resources of that society tend to have the greater capacity to exercise their choices. This is best demonstrated in an early critique offered by Paul
Samuelson (1961) who compares Hayek’s market approach to a simplistic notion of democracy. Within this comparison Samuelson describes the market system as a voting system with each dollar comparable to each vote an individual would have within a standardised political system. Whereas the political model provides one vote per person the market model provides one vote per dollar, and some people have more ‘dollars’ than others. Those with the greater substantive wealth have a distinct advantage and are able to exercise their influence over those who have less.

Compounding the structural inequalities that exist within our society is the way knowledge is delivered within the New Zealand education system through various curriculum and assessment strategies that reflect the hidden and overt epistemologies of a dominant ‘white’ middle-class society. Yet these curriculum and assessment strategies presume to represent and nurture the interests, values and beliefs of what might be constituted as a ‘mixed’ society (Harker, 1990). Roger Douglas criticised New Zealand society in 1980 by claiming that “its loyalties [were] torn between conflicting interests, each determined to extract the maximum for itself with no regard for others” (Douglas, 1980: 9). It would seem that after almost two decades of market driven policy reform within New Zealand, his criticism is just as relevant today.

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CHAPTER 3

University Reform in New Zealand 1984-1999:

Tertiary Education and New Public Managerialism

The essential underpinnings that drove the educational reforms of the late 1980s through to the 1990s existed within the neo-liberal critique of the Keynesian interventionist system of state-controlled, state-funded and state-provided education (Peters et al., 1994). Over the last two decades of the twentieth century New Zealand transformed itself into a market-driven economy, a transformation clearly reflected within the tertiary education sector. The two Tertiary Papers (the 1997 Tertiary Green Paper and the 1998 Tertiary White Paper), accompanied by the full realisation of New Public Managerialism, generated reform within the sector to create an education system that met the competitive needs of a consumer-driven society (Kelsey, 2000).

This chapter examines the tertiary education sector within New Zealand, paying particular attention to the pressures imposed upon it during the latter part of the twentieth century by neo-liberal reform. This chapter begins with an historical overview of the formation of the university institution within New Zealand at the end of the nineteenth century. It then discusses the university under the Keynesian model, examining the various implications and consequences that impacted on the
tertiary education sector in the years following the Hughes Parry Report and the resulting Universities Act of 1961. Having set the scene in order to demonstrate the rationale for neo-liberal reform within the New Zealand tertiary education sector by 1980, the chapter will then retrace the Fourth Labour Government’s policy agenda for the sector. This will be followed by an examination of the tertiary education policies of the National Government (1990-1996) and the National/New Zealand First Coalition (1996-1998, which became a minority National Government 1998-1999). This account will include an analysis of the 1997 Tertiary Green Paper and the 1998 Tertiary White Paper, arguably the two most significant documents related to tertiary education reform in New Zealand during the last decade of the twentieth century.

An historic overview of the University in New Zealand

Peters (1997a) suggested that New Zealand’s universities were constructed within a discourse of colonialism, with the earliest universities being created to advance and support the development of a more British notion of culture and civilisation. This was clearly the case with the establishment of New Zealand’s first university, the University of Otago in 1869. The Provincial Act 1866 allowed for the provision of funds to establish an educational institution within Otago that would owe its
‘allegiance’ to the Free Church of Scotland. Following the establishment of the first university institution within the country, the University of New Zealand was founded "by the passing of an Act of the General Assembly which became law on 13 September 1870" (Parton, 1979: 11). The University of New Zealand existed solely as an examining and degree-granting body and held academic governance over the four main provincial universities established by the turn of the twentieth century (Peters, 1997a).

Although a Royal Commission had re-examined the university sector in 1925, there were no major changes imposed upon the sector until the Universities Act of 1961. In the year prior, and as a consequence of recommendations within the Hughes Parry Report, the Senate of the University of New Zealand conceded some of its examining powers to the individual institutions (Parton, 1979). This was in part due to concerns inherent within the Senate (related primarily to their future role in university governance) regarding the possible ramifications of the Hughes Parry Report. That report had made recommendations that sought greater

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1 With the arrival of gold related wealth in Otago, one-eighth of the transactional exchange of all lands was given to the trustees of the Presbyterian Church for the provision of religious and educational services. One third of this land endowment was directed towards education (Parton, 1979).

2 Following the University of Otago; the University of Canterbury, based on an Oxford university tradition, was established in 1873. The University of Auckland was established in 1883 and Victoria University of Wellington was established in 1899. The other three New Zealand Universities, Waikato, Massey and Lincoln, were established much later (Peters, 1997a).
institutional autonomy for the provincial universities (ibid.). The Senate’s concerns were all but realised with the establishment of the new University Grants Committee (UGC) by an Act of Parliament in 1960. The University of New Zealand was abolished in the following year as a consequence of the passage of the Universities Act 1961. The Act defined the four provincial universities as autonomous institutions and gave the UGC statutory academic and financial control over them. This would be the way the system would exist until the Fourth Labour Government reforms of the late 1980s.

Universities in New Zealand: 1960-1980

The Universities Act of 1961 brought about the dissolution of the University of New Zealand and, having done so, transferred all its assets and statutory powers to the newly formed University Grants Committee (1961-1986). It also transferred the examining and degree-granting roles to the university institutions in which the students were enrolled, so long as the degrees, diplomas, certificates and courses offered within those institutions had been approved by the UGC (Universities Act 1961).

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3 The new UGC’s primary function was to take over some of the residual functions of the University of New Zealand, but these would be defined more clearly under the 1961 Universities Act.
The Act also stated that each of the newly autonomous universities had to make their applications through the UGC to receive any government financial grants or assistance (Butterworth and Tarling, 1994). But in doing this, the autonomous institutions now had a greater say in how they used their funding. They could, for example, determine their own institutional character, thereby generating various changes to create very separate and unique universities. In the decade that followed changes were made to various degree structures, to the way students were assessed, and to the role that students (and others) played in university governance (Gould, 1988). Up until the mid-1970s the UGC was successful in gaining approval from the Government for each of its five-yearly funding proposals, and this created a highly prosperous time for New Zealand’s universities (Sinclair, 1983).

In responding to ‘a climate of uncertainty’ created by the oil crisis of 1973 and the global economic recession that followed, the government declined the UGC’s five year plan in 1974 in favour of a one year grant of $14.8 million (Sinclair, 1983). Over the next decade those within the

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4 Simon Marginson (1998) argues that in line with the Keynesian philosophy of the time and the sense of nationalism that accompanied it, the Government often looked upon the universities as an important nation-building tool.

5 Although in 1975 Government did return to approving a five-year grant.
universities began to see a decline in resources, indicating an end to New Zealand's own tertiary 'golden age'.

University reform: a neo-liberal rationale

By the mid-1980s the Keynesian faith in the universities as potential nation-builders began to waver (Marginson, 1998). The New Zealand universities now faced two major problems: a dramatic increase in participation rates and a government desire to reduce all areas of public expenditure (Stephens, 1997).

There had been, as earlier indicated, a decline in the government's willingness to freely fund the UGC as early as 1974. But from 1975 onwards the UGC was required to discuss all its funding proposals with the Treasury and, during the 1980s, the two would continually clash over what each believed was an appropriate level of funding for New Zealand's tertiary education sector (King, 1999). On two separate occasions the UGC put forward a proposal to the government that was in direct conflict with Treasury's own tertiary level funding proposals (Gould, 1988).

6 In his 1992 book 'Decline of Donnish Dominion: The British Academic in the Twentieth Century', A.H. Halsey seemingly reminisces about a 'golden age' during the 1950s and 1960s in which those within the British universities had little difficulty in convincing everyone else about the substantial benefit of their research. This so-called 'golden age' began to decline in Britain during the 1970s when it became abundantly clear that there was a conflict between the aspirations of the researchers and the restraints of the available dollar, between great ideas and fiscal realities. It is from Halsey's work that I have borrowed the phrase 'golden age'.
It was this kind of political wrangling during the 1980s that situated the universities in opposition to the dominant political ethos that now permeated contemporary western societies, including New Zealand (Peters, 1992). As discussed in the previous chapter, knowledge had been reconceptualised as a commodity within Western, including New Zealand, societies. The main assumption that began to underpin tertiary level education derived from the theories and philosophies that governed human motivation (Codd, 1999). These theories suggested that individuals were always self-interested and self-serving creatures and their general behaviour was directed predominantly towards opportunism (ibid.). But this did not just apply to individuals who, as consumers, were determined to protect and maximise their own self-interests. It also applied to the public institutions, including the universities, in which various professionals, bureaucrats, politicians and academics would protect their own interests by promoting the growth of the institution, and do so against the public interests of the institution (Olssen, 2000).

In attempting to address these philosophical assumptions, new theories of managerialism, including New Public Management (NPM), began to permeate the tertiary education sector. As Codd (1999:47) suggested
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. Paradoxically, such theories are far from new.

Codd argued that NPM had evolved from an earlier system of industrial management generally referred to as “scientific management” or “Taylorism”.

Frederic Taylor first coined Scientific Management Theory in 1911. It was initially a response to the needs of managers and owners of industrial enterprises within the United States to increase productivity and profits, and exercise control over labour (Clegg and Dunkerley, 1980). Taylor made a number of assumptions about the nature of the institution or organisation, offering the analogy of the institution as a machine that functioned without any inherent management/worker conflict. Central to the operating capacity of the machine was the way labour was divided through specialisation. The more people specialised, the more efficient they became (Jones and May, 1999). Under the NPM ethos, having universities operate competitively alongside private sector institutions generated a greater degree of specialisation as part of the greater need to capture market share. According to Gould (1999), this would lead to a greater desire by the universities within New Zealand to function as fiscally attractive institutional corporate enterprises.
There is evidence to suggest that during the 1980s there was a shift towards economically driven policies within New Zealand, and that these policies expressed little confidence in the Keynesian style of interventionist government and promoted free market solutions and public-sector privatisation (Peters, 1997a). There was a push to transform tertiary level education from the earlier universal welfare model to a system that encouraged participation as a private investment in human capital (Fitzsimons, 1997). Mark Olssen (2000: 36) wrote:

In New Zealand, the proposed changes in tertiary education policy were developed in a series of reports which were published in the latter years of the 1980s [and in which] the neo-liberal agendas were systematically stated.

The first of these reports would come from abroad, indicating a wider global impetus to a neo-liberal philosophy.

Reform under the Fourth Labour Government

In 1987 the Organisation for Economic Co-operation and Development (OECD) released a report entitled Universities Under Scrutiny. This report advocated the need for universities within Western societies to offer career-orientated courses of study and emphasised the need for greater accountability in relation to the output of universities (OECD, 1987). Another report, entitled Performance Indicators in Higher Education (OECD, 1988), went further. It recommended that the traditional practice of giving universities grants be replaced by a system of contracting. This would allow greater accountability to be attached to
university funding by defining the parameters against which the university's performance could be audited and assessed.

Reporting back to the New Zealand Vice Chancellor's Committee in 1987, the Watts Committee stated that it had found within its own private examination of New Zealand's tertiary education sector a decline in the overall quality of university teaching and research (Stephens, 1997). The Watts Report recommended that government needed to increase tertiary level funding, arguing that the recommendations made from other sources regarding the need to measure the fiscal value of both the private and public benefits of tertiary level education were too problematic (Watts et al., 1987). Of note was the already substantial private cost of tertiary education due to the various net direct costs and the opportunity cost of foregone earnings (Stephens, 1997).

The Watts Report argued that the Fourth Labour Government needed to continue to offer a competitive university system both locally and globally, and it also needed to continue to promote an expansionist model of higher education. In order to achieve these two critical objectives, the Report recommended that the government would need to

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7 Such as the OECD, the New Zealand Business Roundtable and Treasury.

8 'Opportunity cost' is the cost incurred by a student in respect of the opportunities they may have had in generating an income through employment had they entered the workforce instead of university. For example, a three year Bachelor degree meant a lost opportunity cost of three years' possible wages.
increase the levels of private fee contributions to offset the shortfall in
government expenditure (Watts et al., 1987). The Report recommended
that such contributions be set at no more than 20 per cent of the average
cost attributable to university tuition. The Fourth Labour Government’s
introduction of a standard tertiary fee of $1,250 in 1990 was not far from
the mark recommended by the Watts Report (Stephens, 1997).

Following both the 1987 Treasury Brief and the Watts Report, the
New Zealand Business Roundtable (NZBR) published Reforming Tertiary
Education in New Zealand in 1988. The NZBR discarded any notion that
tertiary level education had inherent public good benefits, arguing that
education possessed the same intrinsic characteristics of most other trade­
able commodities and as such, only served the private good interests of the
perpetually choosing consumer (NZBR, 1988; Olssen, 2000). In
recommending the restructuring and privatisation of New Zealand’s
tertiary education sector, the NZBR argued the Public Choice view that
there would be an increase in the efficiency and effectiveness of the
institutions if they operated under similar incentive/sanction schemes as
did most private-sector organisations.

The impact of such powerful lobbying, along with the advice
presented by both the New Zealand Treasury and the State Services
Commission, undoubtedly influenced the Fourth Labour Government’s
own tertiary education reform agenda in the late 1980s. The 1988 Hawke Report, entitled The Report on Post-Compulsory Education and Training in New Zealand, made significant recommendations that advocated greater commercialisation of New Zealand’s universities with an emphasis placed upon their responsibility to generate their own revenue (Olssen, 2000). This was followed by Learning for Life I and II in 1989. Learning for Life also demonstrated a commitment to a market philosophy by introducing a form of bulk funding that was based upon Equivalent Full-Time Students (or EFTS). Another essential feature of Learning for Life was its adoption of the neo-liberal rhetoric of economics and managerialism. Thereafter, the traditional job title of Vice-Chancellor became Chief Executive, their general tenure became a fixed-term contractual arrangement, and democratic representation became stakeholder accountability (Stephens, 1997). In short, Learning for Life (I and II) strongly advocated the Picot model of devolution and accountability (Peters and Roberts, 1999). It was precisely this ideology that would become the basis of the reforms enacted within the tertiary education sector via the Education Amendment Act 1990.

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9 The Hawke Report attempted to avoid distinguishing between education and training. When these two different concepts are merged this serves to advance a Human Capital/vocational approach to education where its purpose is to assist in improving the skills and productivity of the workforce (Easton, 1997a).

10 This placed all personal industrial relations within the tertiary education sector under the jurisdiction of the State Sector Act 1988. Thus, CEOs were employed upon fixed-term contracts with possible performance bonuses available as an incentive for meeting (and surpassing) their defined performance targets, and sanctions imposed (including dismissal) where dismal performances had occurred.

11 Brian Picot had authored the 1988 Administering for Excellence that became the blueprint for the primary and secondary sector reforms under the 1989 Education Act. These reforms are often referred to as the Tomorrow's Schools reforms.
Despite the reforms imposed by the Fourth Labour Government, the 1990 National Government would find itself confronted by similar problems to those identified by the Watts Committee in 1987. These problems were identified by the National Government as an increase in the student population and a deterioration in tertiary level quality and funding (Stephens, 1997).

1990 and beyond

In its 1991 budget, the National Government increased the student fee contributions to approximately twenty per cent of the estimated cost of the course in which the student was enrolled. In that same budget, the government introduced a new funding scheme for tertiary education. This was based upon an EFTS calculation wherein the government agreed initially to fund the total course costs of institutions to around eighty five percent (Olssen, 2000). The intention behind this was to force the universities to meet any shortfall by either charging fees or by creating new efficiencies. However, by 1993 it became apparent that the rising cost of tertiary level education, along with the rapidly increasing participation rates within the sector, had created a huge financial burden upon a National Government already weighed down by a significant budget deficit (Stephens, 1997).
In attempting to address the problems related to the burgeoning cost and participatory expansion of the tertiary education sector, the National Government appointed Jeff Todd as head of the Ministerial Consultative Group in 1994. Because the National Government supported the expansion of the sector as tool for economic growth, Todd was directed to examine possible ways that this expansion could be financed.

At the outset the Ministerial Consultative Group (known hereafter as the Todd Taskforce) struggled with an inconsistency within the National Government's tertiary education policy (Stephens, 1997). Although the Todd Taskforce argued that higher education was a private investment undertaken for self-gain, it also acknowledged how important a highly skilled, trained and educated labour force was in stimulating economic growth. The Todd Taskforce also recognised, in attempting to address the expansion issue, that there was a significant section of society who lacked higher level skills and education. This group consisted predominantly of people from lower socioeconomic backgrounds as well as Maori and Pacific Islanders. While the rhetoric espoused the need to provide opportunities for marginalised and disadvantaged groups, it also promoted their consumer right and obligation to pay for that participation.

In attempting to juggle these inconsistencies, the Todd Taskforce was asked to comment on four specific areas. Firstly, it was asked to
examine the nature of both the public and private benefits that could be accrued from tertiary education, paying particular attention to the investment individuals made to achieve these benefits. Secondly, it was asked to find alternative funding mechanisms that would generate greater levels of efficiency from educational providers. Thirdly, it was asked to examine the possible impact that fees might have upon participatory rates both generally and for specific marginalised groups. Finally, it was asked to make a recommendation as to what it determined to be an appropriate level of funding for the tertiary education sector in relation to the entire education sector and to the government’s overall public expenditure (Stephens, 1997).

The conclusion reached by the Todd Taskforce was that the private benefits of tertiary education as a commodity far outweighed any public benefit it had as an economic stimulator. Therefore the Todd Taskforce recommended an increase in the level of student fee contributions but added that if such contributions were made through some form of loan scheme, this would ensure participatory opportunities for everyone (Stephens, 1997). In this sense, the Todd Taskforce was able to make recommendations that were not in conflict with the National Government’s faith in the relationship between economic growth and the development of human capital. The general synopsis offered by the Todd Taskforce was that tertiary level education was a private investment undertaken by the consumer and therefore, in line with Public Choice and
Human Capital ideals, it made sense that it was funded, to some degree, by the consumer (Olssen, 2000).

The Tertiary Green Paper, 1997

In August 1997, one month prior to the release of the Ministry of Education’s Tertiary Green Paper, another Ministry document was leaked into the public domain (Peters and Roberts, 1999). The leaked document, dated 17 July 1997, was entitled Tertiary Education Review: Proposals and Key Decisions. In the covering letter that accompanied the leaked document, Fiona Ross, who was the Senior Policy Analyst with the Ministry of Education at that time, discussed the intentions of both the Minister of Education and the Minister of Finance to meet and discuss the forthcoming Tertiary Green Paper. This document was the ‘lead’ document that enabled such officials to gain an insight into the ongoing review of the tertiary education sector so that they might reach a consensus upon the direction of various proposals (Ministry of Education, 1997a).

The leaked report signaled massive changes to the way the tertiary education sector would operate by advocating the removal of all fee subsidies from the institutions and supporting a voucher system of funding for students (Ministry of Education, 1997a). It recommended that greater
administrative monitoring and accountability mechanisms be applied within the institutions and supported the wide spread privatisation of the sector in general (ibid.). Significantly it called for the sector to be exposed to greater levels of political surveillance, intervention and control (Boston, 1997).

Released in September 1997, the Tertiary Education Review Paper (known generally as the Tertiary Green Paper) made recommendations directed at the various financial issues pertaining to students, the fiscal and evaluative concerns surrounding university research, the legitimacy of qualifications and the effectiveness of the institutions in terms of quality assurance and regulatory requirements (Ministry of Education, 1997). It also examined the crucial matter of ownership and related concerns regarding governance and accountability within universities (Olssen, 2000). The Tertiary Green Paper, like its predecessors within the rhetoric of reform, continued to espouse the central themes of the New Public Management approach to education by suggesting that improved accountability, greater responsiveness and a more genuinely transparent tertiary education sector would encourage increased participation (ibid.). And it did so without clearly spelling out how the former did actually encourage the latter.
The authors of the *Tertiary Green Paper* appeared so convinced that free market solutions would solve all of New Zealand's problems in education that they appeared to totally forget the public service function of universities with respect to their contributions to the cultural and social fabric of society (Peters and Roberts, 1997). By tenuously following the direction set by the earlier leaked document, the *Tertiary Green Paper* espoused the neo-liberal agenda in its purest form. One of its most significant recommendations for the provision of tertiary education was to introduce a system of user vouchers (Ministry of Education, 1997). It also proposed that the administration of the university would improve by replacing the democratically formed University Councils with a new managerialistic Board of Directors (ibid.). It also advocated a separation between the duties of teaching and research, with research becoming dependent upon competitive bidding (ibid.).

The *Tertiary Green Paper* identified three main forces that were expected to shape the demands of tertiary education well into the twenty first century. First of all, there were issues of access and the demand for supply. Secondly, there was a perceived need to internationalise the sector to reflect global requirements. Finally, there was an issue about how information technology might affect the way tertiary education was delivered (Ministry of Education, 1997).
Many commentators (Kelsey, 1997; Peters, 1997; Peters and Roberts, 1997, 1999) have often compared the Tertiary Green Paper to Britain's 1997 Dearing Report. Generally these comparisons identify four specific differences between the two papers. These differences consist of the way that each paper viewed the concept of education, the resourcing of the sector, the impact that globalisation might have upon the sector, and the role of the humanities within the sector. While the Tertiary Green Paper clearly followed the neo-liberal ethos that permeated New Zealand towards the end of the twentieth century, the Dearing Report advocated a more social philosophy, promoting the notion of a 'learning society'. The Dearing Report had also demonstrated a British commitment to democracy via a genuine and comprehensive process of consultation. In contrast the Tertiary Green Paper appeared to be a politically charged document that involved virtually no consultation outside of the Government's own bureaucracy.

Both papers clearly sought to maximise participation through the promotion of consumer choice, and both papers advocated a need to maintain (if not improve) degree standards. However, the Tertiary Green Paper did not share the Dearing Committee's interests in intellectual culture and the notion of critical inquiry.
It would appear that the *Tertiary Green Paper* was a very different document to its British counterpart, and both papers presented a very different view of what education should be about. Whereas the *Dearing Report* placed education as a fundamental and essential element pertaining to the welfare of society, the *Tertiary Green Paper* took the impoverished 'commodified' view that education was simply a product to be traded within a market setting (Peters and Roberts, 1997).

In responding to the *Tertiary Green Paper*, the NZBR argued for even greater competition within the tertiary education sector. They made particular reference to other tertiary models abroad and questioned the government's role within the sector, arguing for a specifically privatised model of tertiary education (Kerr and Irwin, 1998). The NZBR also demanded more accountability in the area of research, suggesting that research conducted within a university context would have greater public benefits if the particular university or Tertiary Education Institute (TEI) had been required to compete for the research funding against other TEIs as part of a more-market orientated process.

Another concern for the NZBR was the *Tertiary Green Paper*'s suggestion that all TEIs had to meet a minimum quality standard that was consistent with the standards applied in systems abroad. This time the word 'minimum' was the bone of contention. Why set a 'minimum' that
invited providers to set that as their benchmark goal? The NZBR responded that New Zealand’s consumers were a diverse group with a multitude of differing needs and that within most market operating systems a diverse range of standards would emerge to reflect the diverse needs of the consumer (Kerr and Irwin, 1998). One could choose ‘The Warehouse’ of TEIs or one could go up-market and choose to attend the more exclusive ‘Harvey Norman’ TEI. Access to government subsidies would therefore only be available to tertiary education providers through competition; based upon their ability to capture market share by offering a diverse range of services that were responsive to the demands of the consumer.

The Tertiary White Paper, 1998

In November 1998 the Ministry of Education released the *Tertiary White Paper*, entitled *Tertiary Education in New Zealand: Policy Directions for the 21st Century*. The *Tertiary White Paper* followed on from the *Tertiary Green Paper* in its NPM ethos, but gave a clear indication as to how policy developers intended to interpret this kind of theoretical agenda (Peters and Roberts, 1999). The major changes espoused within the *Tertiary White Paper* were set out within its third chapter. They offered new alternatives for tuition and funding, quality assurance, financial viability, research, information, governance, accountability and the management of capital assets. The *Tertiary White*
Paper continued to promote a system of funding whereby the resources followed the student via a system of vouchers. According to Peters and Roberts (1999: 37):

*The White Paper can be seen as a synthesis of neoliberal ideas developed and applied over more than a decade of social policy reform in New Zealand.*

According to the Tertiary White Paper, the following factors were a crucial part of the Government's commitment to maintaining the quality of tertiary level education within New Zealand.

- Because educational quality related to both the teaching and research aspects of a tertiary level education system, it was essential that credible and extensive processes of quality assurance were set into place.
- Historical models of external quality assurance systems had thus far proven ineffective and the mechanisms used to determine the performance of the TEIs had been vague and meaningless.
- Therefore, it was recommended that for TEIs to be eligible for any funding assistance (through research or teaching), approved systems of quality assurance had to be implemented.
- **It was also recommended that a specific regulatory authority be established to monitor the quality of any TEI that was in receipt of public funding. Further, it was recommended that this regulatory authority would be directly responsible to the Minister of Education.**
- There would be quality assurance processes that would meet very clear and specific sets of criteria. Groups who had the necessary expertise, impartiality and ability to make valid evaluations would determine the levels of quality. Clear sets of performance indicators would be used to assess both the various TEIs and their individual qualification status. There would be a need for the process to promote the responsive nature of the TEIs to meet the needs and demands of the internal labour market and to provide standards of excellence that compared at an international level. The same processes needed to ensure that the TEIs delivered honest, accurate information to their prospective clients (students) while, at the same time, recognised the need to maintain the traditions of academic freedom and institutional autonomy. There was a need to ensure that all research within the TEIs corresponded to the specific guidelines on research as espoused by the Government.
Finally, there was a need to ensure that the TEIs operated in a publicly transparent way.

- It was recommended that 80% of research-based funding would be allocated by a student per capita formula while the remaining 20% would be made contestable.
- Those who contested research based funding would have to demonstrate a proficient history of research practice.
- Researchers would also need to demonstrate the relevance of their particular research interest in terms of how it would enhance the innovation and resource capabilities of New Zealand.
- As part of the monitoring and accountability process, it was recommended that TEIs would have to report annually, outlining their strategic objectives and performance targets for the next financial year. As a consequence, it was also recommended that the TEIs be placed upon the sixth schedule of the Public Finance Act.
- The Government would be expected to take a minimalist approach to general TEI operations, allowing the TEIs to have greater control over the use of their resources (making them more clearly accountable for their overall performance).
- Under the new regime of monitoring and accountability; mergers, strategic changes and business alliances would be encouraged if they were done with the intent of further improving the performance of the sector.


Such lobby groups as the New Zealand Association of Private Education Providers and the NZBR were enthusiastic about most of the policy proposals contained within the Tertiary White Paper (Peters and Roberts, 1999). However, as a complete document, the Tertiary White Paper was never implemented as policy. Nevertheless, as a consequence of its release, along with the release of its predecessor and subsequent submissions, there has been a strong redefinition of the tertiary education sector with many of the Tertiary White Paper’s individual recommendations translated into reality (Olssen, 2000).
In particular, the way that tertiary education is often provided and delivered within the contemporary TEI strongly resembles market commodification wherein consumer demand can sometimes appear to be the driving mechanism behind course availability. As a consequence, it is hardly surprising that both the *Tertiary White Paper* and the former *Tertiary Green Paper* have often been critiqued as representing an ongoing government desire to respond to market forces through a process of devolution and privatisation.

**Conclusion**

Throughout the late 1980s and into the 1990s the tertiary education sector endured enormous pressures as a consequence of the widely supported neo-liberal agenda. The *Hawke Report, Learning for Life I and II*, and the *Todd Report* all espoused the commercialisation of tertiary education with an emphasis on accountability and performance outcomes. The 1997 *Tertiary Green Paper* and the 1998 *Tertiary White Paper* were clearly the political vehicles for delivering a synthesis of neo-liberal/NPM philosophical ideas that had evolved as a consequence of the agenda established as far back as the 1987 Treasury Brief. The two Tertiary Papers continued to discuss financial issues, quality assurance, research contestability, governance, privatisation, and accountability. The emphasis
within the *Tertiary White Paper* was the financial performance of the tertiary education sector, and it was through this concern that the recommendations for significant monitoring and surveillance seemed to gain credibility.

As a consequence of the reforms, the university is in the process of becoming a corporate enterprise. The Vice-Chancellor is now the CEO, taking on the responsibility as employer within the institution. The discourse within the academic divisions is now one of 'performance' and the ongoing need to monitor, assess, evaluate and improve every department, every course, and every single activity as part of the daily ritual of university life (Ball, 1999; Peters, 1994). The New Zealand universities, like their counterparts in Britain, the United States and Australia, were expected to apply neo-liberal and NPM policy initiatives in an attempt to address the three critical issues of burgeoning costs, globalisation and increased participatory demand. Even so, with the election of the Labour/Alliance Coalition Government in 1999 it appeared that none of these fundamental issues had been resolved. In *Education in the 21st Century: Restoring Public Accountability* the Labour/Alliance Associate Minister of [Tertiary] Education, Steve Maharey (2001), would continue to acknowledge the need for our tertiary education sector to find ways to improve its ability to compete globally, offer life-long learning opportunities, and to provide greater levels of stakeholder value for
money. At the end of the twentieth century it was beginning to look as though the only institution within the tertiary education sector that was likely to succeed and prosper into the next millennium was the institution of reform.

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CHAPTER 4

University Reform in New Zealand 1999-2001:

TEAC and the Labour/Alliance Coalition

As New Zealand entered the new millennium the same rhetoric of reform continued. Under the Labour/Alliance Coalition Government (elected in 1999) there were further calls to establish some form of monitoring system that was able to measure the performance and accountability of the entire tertiary education sector (TEAC, 2001). With the focus firmly on ‘globalisation’ and rapidly changing technologies, there was a perceived need to support an educational environment that offered opportunities for learning at every stage of an individual’s life. However, within any such environment, it was argued that there was also a need to ensure that individuals, employers and society as a whole received value for their educational dollar within a tertiary education sector that was efficient, responsive, adaptable, of excellent quality, affordable and cost effective (Ministry of Education, 1999).

Within the previous chapters it was argued that in the latter part of the twentieth century successive governments responded to these challenges by implementing polices that moved away from any notion of education as a public good, opting for a more market-driven educational model. The Labour/Alliance Associate Minister of [Tertiary] Education,
Steve Maharey, acknowledged the need to ensure that our tertiary education sector competed globally by providing life-long opportunities in all aspects of tertiary level education. But he also openly shared the concerns of the business community regarding value for money and a high level of stakeholder targeted responsiveness (Maharey, 2001).

Alongside the issues of globalisation, changing technologies and the need to offer life-long learning was the further belief that our tertiary education system needed to provide opportunities for competitive and robust research. As with the Tertiary White Paper (Ministry of Education, 1998), advice given to the Labour/Alliance Coalition by such groups as the New Zealand Business Rountable (NZBR), the Association of Private Education Providers (NZAPED) and the government’s own Tertiary Education Advisory Commission (TEAC) promoted the notion of a contestable, performance-based research model (Ministry of Education, 1999; TEAC, 2001).

This Chapter examines the approach to tertiary education reform undertaken by the 1999 Labour/Alliance Coalition Government. It begins by presenting an overview of the Labour/Alliance Coalition’s general educational strategy, including the establishment of the Tertiary Education Advisory Commission (TEAC). This is followed by an examination of the various suggestions and recommendations made by the four successive
TEAC reports.\(^1\) Included within this discussion is a summary of the tertiary related matters that were presented within the 24 May 2001 Labour/Alliance Coalition Budget. Finally, there will be an overview of the Labour/Alliance Coalition’s Tertiary Education Reform Bill. This Bill seemed to give life to many of the TEAC recommendations.

**The Strategy of the Labour/Alliance Coalition.**

Within the last two decades of the twentieth century the focus of education policies emphasised repeatedly the need to increase participation within the tertiary sector while decreasing the cost of providing that higher level education. According to Maharey (2002) this was a policy direction that actually worked. Citing participation levels within the sector growing to an extent that placed New Zealand sixth highest amongst all OECD nations while the unit cost of education fell, Maharey noted that there were around a quarter of a million students participating in some form of tertiary level education in New Zealand in 2001 (Maharey, 2001). Maharey attributed the decrease in costs to an increase in student contributions (through fees and loans) and to institutional cost cutting.

\(^1\) These reports were published in July 2000, February 2001, July 2001 and November 2001.
According to the Labour/Alliance Coalition, New Zealand urgently needed a tertiary education system that was not only future-proofed and transnationally mobile, but one that could also maintain a strong attachment to New Zealand's own economy and society (Maharey, 2002). The Labour/Alliance Coalition appeared to be content with following the concept of an *enterprise culture*, first espoused by the 1990 National Government. Maharey advocated the 'hand-up' liberal notion of welfare and applied this to education, reminding New Zealand of the reciprocal rights and obligations that existed within this specific kind of welfare environment (Maharey, 2001). According to Maharey (2001:2) "*Some would see this as a third way context...* " with the main objective of policy being to "*foster our human capability*".

The 'hand-up' notion of welfare critiqued the earlier Keynesian approach whereby 'hand-outs' were given to those in need. The 'hand-up' notion argued that people should not just be given resources to sustain themselves, they should be given opportunities to improve themselves. In this sense, people receiving assistance had specific obligations that required them to take the opportunities provided to them and work towards becoming independent from the state. The 'hand-up' notion of welfare and the notion of an 'enterprise culture' were an inherent part of the neo-liberal discourse of the National Government during the early part
of the 1990s. So it is interesting that Maharey chose to use them to describe his Government’s so-called centre-left ‘Third Way’ approach.²

In order to provide adequate funding for an expanding tertiary education sector that provided life-long learning opportunities and a robust research ethos, the government was required to draw funds from a variety of sources and there needed to be a clear return for such a commitment (Ministry of Education, 1999). The Labour/Alliance Coalition indicated early on that it wanted to see a tertiary education system that encouraged individual learning, and it wanted this to be funded by both the public and private sectors (Maharey, 2001).

The Tertiary Education Advisory Commission.

The Labour/Alliance Coalition expressed a determination to strengthen the relationship that existed between education and industry. According to the Associate Minister of [Tertiary] Education, this relationship was crucial to the ongoing development of the ‘knowledge

² As an aside, it is also interesting to note that Maharey was the intellectual ‘mastermind’ and spokesperson in relation to the Labour Party’s ‘Third Way’ approach. This is interesting given that because Maharey was the Minister responsible for tertiary education as well as social services and employment, he was in essence the Minister responsible for ‘steering’ New Zealand’s human capability as his government attempted to develop the so-called ‘knowledge society’.
society. In supporting its vision to develop New Zealand as a knowledge society, the Labour/Alliance Coalition established the Tertiary Education Advisory Commission (TEAC) in April 2000.

At the outset TEAC was given the mandate to advise the Labour/Alliance Coalition on a tertiary education strategy that would best serve the ‘human capability’ needs of New Zealand well into the future (Tertiary Education Reform Bill, 2001). TEAC’s first report, entitled *Shaping A Shared Vision*, was released in July 2000 and claimed to offer a ‘shared vision’ of New Zealand’s tertiary education potential. However, *Shaping A Shared Vision* seemed to do little more than define the Commission’s own personal mandate, indicating how it planned to focus its efforts over the next two years (TEAC, 2000).

In *Shaping A Shared Vision* TEAC offered a definition of what it deemed tertiary education to be, a definition that encompassed almost every learning environment that extended beyond secondary school. In this regard, the Education Forum (2000:2) indicated that the definition offered by TEAC was so “*broad as to be meaningless*”. Nevertheless, the initial TEAC report promoted the notion of equality of opportunity,

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3 The premise of a ‘knowledge society’ was based on the argument that by raising the educational standard of the population, this contributed to improved productivity and better economic outcomes for everyone. The ‘knowledge society’ is discussed briefly in Chapter 5 and in more detail from Chapter 8 onwards.
espousing the need to ensure access for all students, and particularly for those who had traditionally been disadvantaged by the system (TEAC, 2000). The report identified six critical functions that it believed New Zealand’s tertiary education sector had to recognise. These functions were:

- The need for the sector to be able to encourage individuals to develop their capabilities and to attain their fullest potential.
- To allow the sector to preserve, advance and disseminate knowledge for its own sake as well as for the benefit of the community and the economy.
- To ensure a sector that could sustain a knowledge society approach that included all sectors within society and accounted for diversity.
- To create a tertiary sector that supported the principles of democracy.
- To ensure a tertiary sector that worked to reduce social and ethnic inequalities.
- To promote a sector that nurtured the distinctive character of New Zealand’s own national identity while, at the same time, recognised the importance of the Treaty of Waitangi within that identity and character.

(TEAC, 2000: 10-11)

The initial TEAC report attracted much criticism from a variety of sources within New Zealand. One such group was the NZBR who suggested that of the six critical functions identified by TEAC only one, the notion of preserving, advancing and disseminating knowledge (the Kantian ideal), actually represented a true function of higher education. The other five functions, according to the NZBR, were all functions related to ‘social engineering’ (Education Forum, 2000).

4 These criticisms go further. The Education Forum (2000:2) raised an interesting point by asking how the so-called shared vision of a “fair, inclusive and democratic” society can also be informed by the Treaty of Waitangi. The Forum’s view was that the Treaty issue required an acceptance of the notion of partnership, a notion that not everyone within a democratic sense was willing to accept.
The second TEAC report, entitled *Shaping the System*, was published in February 2001 (but was actually released publicly on 7 March). Being the largest and most in-depth of the four TEAC reports, *Shaping the System* recommended that

...the tertiary education system balance the need for a common approach to the regulation and accountability of public and private providers with the recognition of the important differences between them.

(TEAC, 2001: 31)

The report identified the need to ensure that there was no duplication of costly provision between the two sectors (public and private) and that, although there was a need for a high transparency of costs across both sectors, this in no way implied that both sectors needed to be funded under the same set of criteria (TEAC, 2001). According to the Education Forum (2001a) the TEAC report offered a plethora of assertions and unacknowledged assumptions about public and private provision, but did not present a valid analysis of the tertiary education sector.

Prior to *Shaping the System*, the ongoing reform process that had shaped the tertiary education sector had given rise to a sector that was required to function as efficiently as possible within an environment that promoted the need for competition. The second TEAC report indicated its view that this level of competition within the sector and between providers had gone too far. The Commission argued that the excessive reliance upon
competition had created a system that imposed enormous pressure upon providers to compete across a wide range of disciplines, interfered with the ability of providers to carry out strategic planning, increased the financial risk of capital investment within the institutions, generated prolific course duplication and posed a constant threat to the credibility of the sector (TEAC, 2001). It was the view of the Commission that there were too few 'economies' left to pursue because the tertiary education sector in New Zealand was being expected to provide an internationally competitive education system on a minimal budget.

As with the first report, the NZBR (through the Education Forum) responded to the second report; this time offering its own report entitled *Shaping the Tertiary Education System*. The author of this report, a former New Zealand Treasury official by the name of Norman LaRocque, indicated that there were a number of problems with the views expressed in *Shaping the System*. For example, where the TEAC report expressed a concern over duplication, LaRocque (2001) responded by pointing out that there was a wide range of degree specialisation within the tertiary education sector. More importantly, where institutions did offer degrees that appeared, by their name, to be of a similar nature; they were often very different courses, skewed towards different educational outcomes altogether (LaRocque, 2001). Further, where there were genuine cases of inefficiencies through duplication, LaRocque contended that a competitive
market approach would reduce these inefficiencies by cutting duplication via a lack of consumer demand.

One of the strongest criticisms made of the second TEAC report argued that the entire emphasis of the recommendations within the report lacked any thorough assessment of the risks associated with those same recommendations. These risks were described as

...bureaucratic inertia leading to delays and institutional rigidity; intrusion of political considerations, for example into whether or not to close failing state institutions or to allow new private ones to compete with incumbents; domination by the large, well-organised state institutions protecting their 'patch' against less-organised but more innovative newcomers; the costs of lobbying by institutions; and 'creative' interpretation by institutions of a tortuous set of rules in order to secure higher funding levels plus much wrangling and legal disputation.

(Education Forum, 2001a: 3)

On Thursday 24 May 2001 Dr. Michael Cullen, the Deputy Labour Leader and Minister of Finance, delivered the Labour/Alliance Coalition’s second budget. The budget would receive a mixed response from the education sector in that it offered a boost in tertiary level funding conditional upon a student fee freeze, and it promoted a contestable model of research through a new ‘Centres of Research Excellence’ (CORE) Fund (Newsroom, 2001). Alongside this new model of research funding was a further push to support industry training as part of the promotion of a

5 The Centres of Research Excellence Fund was a new contestable fund established to support research that developed 'excellence'. The key research values needed by institutions in order to tap into the fund included excellence, strategic focus, innovation, knowledge transfer, co-operation, collaboration and critical mass (Ministry of Education, 2001). It was indicated within the Budget that these values contributed to New Zealand’s economic and social development.
'knowledge economy', one of the key Coalition objectives in supporting life-long learning initiatives to ensure New Zealand was competitive at a global level (Ministry of Education, 2001).

Dr. Cullen indicated in his parliamentary speech that it was his government's sentiment that the existing tertiary education system in New Zealand was problematic due to issues surrounding quality assurance, relevance, duplication and cost effectiveness. These issues would be addressed by a new Tertiary Education Strategy that would see government providing greater intervention and leadership. This would be done, according to Cullen (Ministry of Education, 2001), by realising one of the significant recommendations of TEAC's Shaping the System through the establishment of the Tertiary Education Commission (TEC) as a new Crown Entity. The TEC would have the responsibility for the negotiation of the charters and profiles of the various institutions, for administering the funding across the sector and for implementing government policy in the sector (Newsroom, 2001a).

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6 In a general conversation regarding my thesis work, a close colleague suggested that in terms of status, purpose and function; the proposed TEC would be a similar entity to the earlier University Grants Committee (UGC). While this is technically a valid comparison, the two authorities exist within different spaces and times and the context of their role is different. The UGC existed within the Keynesian era where the role of such regulatory bureaucracies was paternal and served to watch over and 'look after' the wider society. This was clearly evident during the early 1980s when the UGC challenged the Treasury's position on what it deemed to be suitable levels of funding for the tertiary education sector. However, coming to the fore within a more neo-liberal environment encompassed by a NPM discourse of monitoring, inspection and review that is generally supportive of Treasury's economic doctrine, the proposed TEC will exist to 'manage' the wider society. So while the former existed to 'look after', the latter will serve to 'manage'.

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The third TEAC report, *Shaping the Strategy*, was released in July 2001 and continued to outline the same priorities of quality, participation and improving research, the essential ingredients deemed necessary for building a knowledge society (TEAC, 2001a). Interestingly, this report seemed to receive little attention within the educational arena and was overlooked by many commentators. There may have been valid reasons for this. Many were still offering critical evaluations on the previous month’s Budget while others remained focused upon the much larger, and seemingly more crucial, *Shaping the System*. Many were waiting in anticipation for the fourth TEAC report that would outline the funding framework for the tertiary sector, and there was still a significant debate taking place within the sector regarding the Labour/Alliance Coalition’s linking of a student fee freeze to its tertiary funding proposal. Nevertheless, given what *Shaping the Strategy* was recommending for the tertiary education sector, it did not receive the critical attention it deserved.

There are three reasons why *Shaping the Strategy* should be considered in greater detail than has generally been the case. Firstly, the report made a number of unsubstantiated assumptions to give definition to the Third Way concept of a ‘knowledge society’. Secondly, the report viewed participation and expansion as a major priority, directing nine out of its twenty recommendations towards this singular issue. Furthermore,
there was a more determined push to find ways to promote opportunities for participation to non-traditional groups, seemingly indicating that every New Zealander should and would be expected to participate in tertiary level education at some stage in the foreseeable future. Finally, it introduced the notion of the tertiary education “scorecard” as a monitoring and evaluation device to be applied not only to the sector and its institutions, but to individuals as well.

According to TEAC (2001a) the new tertiary education scorecard would enable the TEC to constantly monitor and evaluate the performance and contribution, in an economic and social sense, of New Zealand’s tertiary education sector. However, TEAC also recommended that the scorecard be further developed so that it could accurately measure the absolute and entire performance of the tertiary education system in terms of achieving the Government’s “national strategic goals and tertiary education priorities” (TEAC, 2001a: 9). These national strategic goals and their objectives were outlined in Shaping the Strategy (pages 30-36). This included the ‘system goals’ and assumptions that related to the individual that could be monitored and evaluated with respect to the tertiary education sector by the scorecard.

7 Though it was also assumed that an increase in participation would not correspond to an increase in the government’s financial commitment to the tertiary education sector. The cost of this increased participation would continue to be directed back to the institutions and to the consumers.
The first of the strategic goals discussed under the auspices of the tertiary education scorecard focused upon economic development. Under this heading the individual was expected to continually pursue higher levels of training and knowledge over the course of their lifetime. There were two assumptions underpinning this promotion of life-long learning initiatives. Firstly, that in continually developing the nation's human capability (the creation a knowledge society), this had a beneficial outcome for the nation's economic development. Secondly, that the tertiary education system was an ideal vehicle for targeting, directing and monitoring the development of that human capability.\(^8\)

Another strategic goal was that of social development.\(^9\) Here TEAC (2001a) suggested that when individuals in society actively participated within their society, this increased the social capital of that society, again, the 'knowledge society' view. Therefore the social development strategic goal emphasised the importance of encouraging individuals through their education to participate more within their communities through voluntary efforts, voting, financial contributions and so on. The assumption that underpinned this strategic goal is perhaps the

\(^8\) It is worth considering that the objectives stated in conjunction with these particular goals and assumptions were informed by the OECD, the IMF and the World Economic Forum (TEAC, 2001a: 30).

\(^9\) There are a number of other strategic goals, all of which have something to say about the individual. One such goal, innovation, links the individual with the labour market, taking a human capital view of tertiary education. Another goal, environmental sustainability, requires that all individuals have a greater understanding of environmental concerns so that they are able to monitor their own activities in this regard.
most telling statement of all: "That those with a higher level of educational achievement are more actively involved and participate in their communities" (TEAC, 2001a: 33, emphasis added). Unfortunately \textit{Shaping the Strategy} failed to provide any evidence to support this particular assumption, making it a very bold assumption indeed.

It needs to be understood that while the scorecard could be applied against individual participation within the tertiary education sector, it was done so with the objective of evaluating the sector's performance rather than any actions of the individual. The point here is that following the shift of PCT from a focus on the activities of the public-sector institutions to individual consumer activity, NPM was gradually shifting from a system that monitored institutional practices to one that could manage the activities and practices of an individual and, via that individual, the activities and practices of the institution.

The fourth and final TEAC report, \textit{Shaping the Funding Framework}, was released in November 2001 and offered little more than a predictable anti-climax to the Labour/Alliance Coalition's tertiary education agenda. There was little here that had not already been revealed
or foreseen. There were eight guiding principles\textsuperscript{10} and five stakeholder incentives\textsuperscript{11}, all of which had been repeated time and time again in some form or another since the 1998 \textit{Tertiary White Paper}.

There were no surprises in terms of the key proposals offered by \textit{Shaping the Funding Framework} either because most had already emerged as a consequence of the 24 May Budget. Nevertheless there were criticisms of TEAC's fourth and final report. Graeme Fogelberg, Vice-Chancellor of the University of Otago, suggested that the Labour/Alliance Coalition seemed determined to replace a relatively simple funding system with a highly complex, increasingly interventionist bureaucracy without

\textsuperscript{10} The eight principles included
\begin{itemize}
  \item The need to control the direction of the tertiary education system.
  \item The need to offer a transparent tertiary system.
  \item The need to have low transaction costs within the system.
  \item An assurance that all financial risks were targeted where they belonged.
  \item A need to provide life-long learning opportunities within an egalitarian environment.
  \item A need to ensure efficiency at all levels.
  \item A determination to provide a commitment to the ideals of academic freedom and institutional autonomy.
  \item A desire to include into any tertiary practice the principles underpinning the Treaty of Waitangi
\end{itemize}

\textsuperscript{11} The five stakeholder incentives were:
\begin{itemize}
  \item Incentives for the system as a whole to encourage diversity and responsibility.
  \item Incentives for the Government to act appropriately as the central 'watchdog' over the entire system.
  \item Incentives for providers to be cost effective, quality assured, innovative and responsive.
  \item Incentives for employers and industry to communicate and work effectively with providers.
  \item Incentives to encourage individuals to participate within the system and to achieve
\end{itemize}
really addressing the crucial factor that the universities remained significantly under-funded (Otago Daily Times, 2002).

The Tertiary Education Reform Bill, 2001

The Tertiary Education Reform Bill was given its first reading in Parliament on 3 December 2001, before being referred on to the Education and Science Select Committee for their consideration. The Bill embodies the Labour/Alliance Coalition’s interpretation of TEAC’s *Shaping a Shared Vision* and *Shaping the System*. Underpinning the Bill was a philosophical belief that the proposed reforms would generate a tertiary education sector in New Zealand that managed its resources in a more cooperative and collaborative way (Tertiary Education Reform Bill, 2001).

The Tertiary Education Reform Bill (2001) represented a merging of two distinctly different ideological philosophies, the so-called ‘Third Way’ emphasis on community partnership and participation, and an interventionist NPM discourse of monitoring and accountability. It attempted to encourage a greater emphasis towards teaching ‘excellence’, greater accountability over learning and research, and to improve the overall management structures that governed and directed the tertiary level providers.
The Bill indicated that power would be given to the Minister of Education to determine the tertiary education priorities that would be used by the new TEC to guide the activities and education provision of all tertiary education providers, including industry training organisations (ITOs). In order to receive funding, the various tertiary education providers and ITOs would be required to develop charters and profiles that met the guidelines set by both the Tertiary Education Strategy and the Minister's own statement of tertiary education priorities (Tertiary Education Reform Bill, 2001).

The Tertiary Education Reform Bill even required tertiary providers who did not seek public funding to have appropriate charters and profiles. With the Minister having the sole power to approve charters and with the TEC negotiating profiles, the system proposed by the Bill signified a greater complexity in bureaucratic management. It also implied, on account of the expectations of compliance from all providers,

12 The Bill clearly set out to strengthen industry training and vocational education with proposed reforms directed at improving the effectiveness and responsiveness of the industry training system so that it fulfilled the changeable needs of employers and individuals.

13 Maharey stated that the intended legislation would enable the TEC to monitor the activities and performance of the various ITOs in much the same way that it could monitor the tertiary education providers. In this sense, the TEC would be able to work closely with those ITOs who were under-performing. This kind of inclusion of vocational training as part of the tertiary sector was fully supported by the Industry Training Federation (Education Review, 2002). However, the Association of Private Education Providers expressed concerns over the time and costs associated with meeting the new accountability regimes. Kevin Smith, President of the Association, did not believe it would be helpful if providers had to target their marketing strategies to impress the TEC rather than to capture the interests of potential students (ibid.).
whether they sought funding or not, a greater level of state directed surveillance and intervention.

Of the Tertiary Education Reform Bill, Maharey (The National Business Review, 2002: 13) claimed that “New Zealand has never had an explicit strategy for tertiary education. Now it has.” This strategy, according to the Associate Minister, assumed that every New Zealander had a stake in the tertiary education system. The proposed reforms of the Labour/Alliance Coalition Government, according to the Tertiary Education Reform Bill (2001: 4) would “ensure that New Zealand [had] a tertiary education system that can deliver the capability New Zealand needs to become a world-leading knowledge society”.

Conclusion.

At the outset of the new millennium, and despite opportunities before it to break new political ground, the Labour/Alliance Coalition continued to follow the NPM agenda of its predecessors by making renewed calls, under the ‘Third Way’ catch-cries of partnership and participation, for the introduction and implementation of stringent performance and accountability measures within the tertiary education sector. The Coalition appreciated the need for New Zealand’s tertiary education sector to meet an international standard but was quick to share the concerns of the business community regarding the financial costs
involved in tertiary level education. In responding to the perceived need to
continuously monitor the tertiary education sector and all its participants, the
Coalition adopted the TEAC (2001) recommendation of establishing a
new Crown Entity, the Tertiary Education Commission.

Another direction taken by the Labour/Alliance Coalition was
reminiscent of the earlier Tertiary Green and Tertiary White Papers and
echoed the recommendations made within a 1999 Education Ministerial
Brief. The Coalition demonstrated a determination to create a robust
research ethos built upon the notions of contestability and competition.
The Coalition intended to use university charters as one mechanism to
identify the unique characteristics and capabilities of various tertiary
institutions with the sole objective of accurately assessing the kind of
contribution (in terms of teaching and research) various institutions would
or could make to the tertiary sector and to New Zealand as a whole.

Another mechanism that the Labour/Alliance Coalition intended to
use to measure the effectiveness of the tertiary education sector within
New Zealand was the TEAC (2001a) recommended tertiary education
scorecard. The scorecard was a tool by which the government and TEC
would be able to monitor and assess the performance of the entire tertiary
education sector against predetermined performance indicators described
as the Government’s own "national strategic goals and tertiary education
priorities" (TEAC, 2001a: 29). It would be able to evaluate that performance in relation to the sector’s activities at a national level and community/regional level, in relation to the industrial sector, and relative to the individual. With respect to the individual, the scorecard would assist in determining the effectiveness of the tertiary education sector in capturing majority participation, including ongoing participation by individuals from non-traditional backgrounds; and in actively developing New Zealand’s ‘human capability’.

The Labour/Alliance Coalition supported a strong relationship between the provision of education and the business community. Underpinning this was their epistemological faith in the ‘enterprise culture’, a ‘hand-up’ liberal approach to welfare reminiscent of an earlier National Government that clearly defined the rights and obligations of both the provider and the individual consumer within a market led educational environment. It would appear that the Labour/Alliance Coalition intended to continue following a NPM approach of monitoring and surveillance within its tertiary education policies. As Olssen (2000: 49) has observed

Such neo-liberal contractual accountabilities now run rife in New Zealand. Universities are organised through chains of accountability, involving contractual relationships between principals and agents, where a purchase contract specifies outputs, where the principal is the purchaser of outputs and the enforcer of the contract, and where monitoring and reporting procedures are attached to every purchase agreement.
Norman LaRocque (2001) contended that the proposed system would create such high levels of bureaucratic superintendence that it would actually generate greater inefficiencies within the tertiary education sector by reducing institutional responsiveness and by disempowering the sector's individual participants.

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POSTSCRIPT:
A ‘Scorecard’ for the Labour/Alliance Coalition (March 2002).

Since the Labour/Alliance Coalition’s Tertiary Education Reform Bill was handed over to Parliament’s Education and Science Select Committee, it attracted a number of submissions from a variety of different sources.

The New Zealand Vice Chancellor’s Committee indicated its concern that the proposed legislation would give the Minister of Education “unfettered power” (Otago Daily Times, 2002a: 3). There was a belief amid a majority of the university Vice Chancellors that the intended reforms would actually stifle academic freedom, erode institutional autonomy, discourage innovation and place the government in a dictatorial position, thereby allowing it to capture a disproportionate level of control over the entire tertiary education sector. There appeared to be a consensus among the Vice Chancellors that in its initial form, the Tertiary Education Reform Bill would give the Minister of Education the power to monitor and control every aspect of tertiary education in New Zealand.

The New Zealand Students’ Association responded more enthusiastically to the proposed reforms represented by the Tertiary Education Reform Bill. The Association indicated its desire to see the proposed reforms reduce duplication and to reduce the number of providers within the sector. The Association believed that the competitive model of tertiary provision had allowed for the establishment of a number of sub-standard tertiary institutions, principally the Private Training Establishments.

The NZBR, in its own submission, indicated partial support for the Tertiary Education Reform Bill, in particular its emphasis upon objectives, information and sector performance (NZBR, 2002). However, the NZBR indicated that it was concerned with the proposed levels of centralised power indicated within the Bill. The NZBR was also concerned by the apparent desire of the Labour/Alliance Coalition to reduce competition within the sector.

The NZBR also argued that the proposed regulatory mechanisms (the TEC, the Tertiary Education Strategy, the charters and the profiles) would actually stall the Coalition Government’s objectives rather than promote them (NZBR, 2002). Finally, the NZBR was concerned about the ramifications of having a system controlled by politicians and by politically appointed boards (such as the TEC). The NZBR feared that the political process would lead to new levels of surveillance and intervention within the sector, advantaging minority interests at the higher end of the political hierarchy.

The majority of submissions to the Tertiary Education Reform Bill, regardless of where they came from and whom they represented, seemed to share one common theme. There appeared to be consensus in recommending that the TEC needed to be established as an autonomous entity, free of any form of political interference.

Despite such concerns, the Associate Minister of [Tertiary] Education responded that his government would make no apology for imposing a more interventionist managerial role upon the sector. Maharey stated “We are looking for a quantum shift in the performance and connectedness of the whole tertiary education sector” (Otago Daily Times, 2002a: 3).
CHAPTER 5

Academic Freedom in New Zealand's Modern University

Academic freedom is now, and will always be, a hallmark of a true democracy and of a strong, vibrant university system. It must be a freedom enjoyed by all in the university. We must have support to exercise this freedom, as 'critic and conscience' of society, as much within the campus walls as outside them.

(Irwin, 2000: 272)

In the previous chapters it was demonstrated that the universities, like virtually every other institutional body within the contemporary western world, were finding themselves continually pressured to change their traditional status and character (Gould, 1999). Such changes have not been exclusive to New Zealand. These changes have occurred as part of a wider global trend that has attempted to create a more monitored institution that meets the demands and expectations of all its contemporary stakeholders and of the encompassing social and political world in which it exists (Jackson, 1999). This momentum for change has had a significant impact upon the way that the individuals within the universities go about the activities of teaching and research, redefining the role of the traditional academic and seriously eroding the "Holy Grail" of the collegial world, academic freedom (ibid.).

This chapter examines the evolving status of the university's academics within New Zealand. It begins by re-examining New Zealand's tertiary sector reform with an emphasis now given to the changing role of
the university within a contemporary western context, and how this change has impacted upon academics. This will be followed by an examination of the increasing pressure placed upon universities to develop more vocationally orientated degrees, looking at how this affects the role of the academic through the teacher/student and teacher/institutional relationships. Finally the chapter explores the issue of academic freedom, raising some major concerns for New Zealand’s tertiary education sector (and for society as a whole) if the ongoing reforms continue to pursue a path that makes academic freedom inoperable within New Zealand’s higher level tertiary education institutions.

Shaping the Universities

It has already been indicated that most of the modern western universities were established upon a Kantian philosophy. This particular philosophy enabled the universities to act independently as the ‘critic and conscience’ of their respective societies in such a way that was free of any political or sovereign intervention or restraint (Halsey, 1992; Peters and Roberts, 1999). Within the contemporary context where traditional nation-state borders are under pressure from a universal globalisation agenda, and tertiary level participation is actively promoted as part of ‘shepherding’ a more transnational form of human capital, this traditional Kantian role has been obscured.\(^1\) It continues to defend the democratic character of

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\(^1\) The analogy of ‘shepherding’ will be elaborated upon within the second part of this thesis.
individual nations in a world that increasingly ignores those national borders.

In responding to the issue of 'globalisation' and to the higher participatory demands imposed upon New Zealand's tertiary education sector, the Ministry of Education (1999) argued that the challenge for tertiary education reform was twofold. This challenge encompassed the need to ensure that New Zealand's tertiary education sector was able to adopt a performance culture that included sound strategic planning processes while maintaining the traditional levels of institutional autonomy and academic freedom. Given the historic evidence of the last two decades this vision seemed conflicting and problematic. It could be argued that once a demanding accountability regime (such as the Tertiary Education Commission) was set in place to monitor the tertiary education sector, enormous pressures were then placed upon the traditional models of autonomy and freedom that existed within the sector (Olssen, 2000).

Within the contemporary educational environment it can no longer be considered that university autonomy and academic freedom are absolutes (Kelsey, 2000). To begin with, a decline in public funding creates the need for universities to pursue alternative forms of funding either through contestable research funds or from the private-sector through a variety of entrepreneurial activities. Universities begin to take
on the persona of quasi-private sector corporations (Gould, 1999). But the universities do not just find themselves competing against each other for funds, they find that they are also competing against private-sector industry (Bourner et al., 2000). According to the Economic and Social Research Council "some companies publish more scientific papers than medium sized universities" (ESRC, 1993: 1). As a result, the university begins to adopt a Taylorist approach to institutional reform to accommodate the external pressures being imposed upon it.\(^2\) Under this managerial ethos, and as a consequence of their ongoing exposure to economic competition, the universities would undoubtedly lose a significant amount of their academic autonomy (Gould, 1999).

Over the last decade this concern over the rise of a market model university has also been accompanied by other significant factors such as the gradual decline of the Humanities, the changing trends within university teaching, and the diminishing conditions of employment within the institutions themselves (Codd, 1999; Halsey, 1992; Peters and Roberts, 1999).

*Even the job-tenure system, which was designed to safeguard academic freedom, actually confers no more real rights than does employment law at large, and it is harder to get- the four year probationary system is tougher than its equivalents in the private or public sector.*

(Hazeldine, 1998: 204)

\(^2\) As stated in Chapter 3, *Taylorism* or *Scientific Management Theory* was initially a response to the needs of the manufacturing industry in the United States to increase productivity and profits, and exercise control over labour (Clegg and Dunkerley, 1980). Taylorism assumed that the institution (factory) could operate like a machine without any management/worker conflict.
It would appear that the more traditional subjection of the academic as a scholarly individual who resided within a Kantian realm of intellectual discovery and verbal freedom has given way to a new subjection. This new academic can be viewed as a deliverer of a quantifiable consumer service for which, in its delivery, their performance can be evaluated and made accountable.

The role of the Academic

Within the traditional culture of the modern university academics are viewed as the intellectual tool through which the mechanisms of democracy are maintained as a consequence of the free expression of ideas (Kelsey, 2000). Traditionally academics focused much of their work upon their research. To maintain institutional excellence, the traditional universities supported an innovative research ethos, particularly when the research itself was productive enough to lead to various prestigious publication opportunities that ultimately reflected well upon the institution. According to Jackson (1999: 7) this perpetuated a “publish or perish” mentality within the modern university milieu. However, Jackson (ibid.) went on to suggest that when everybody from student to government expected the academic, as teacher, to provide a useable product that had relevancy and applicability over the long term within an ever changing marketplace, room for this kind of academic expression was
gradually eroded by the requirements governing the academic’s teaching practice.

With the restrictive impact of NPM policies demanding compliance and efficiency in teaching and research, some commentators are of the opinion that academics appear unable to defend their right to ideological freedom (Kelsey, 2000). This also means that academics, pressured to accept and comply with NPM requirements, may come to accept that their scholastic endeavours of critical inquiry are not worth fighting for (Halsey, 1992). The dominance of market driven policies and their constant demand for an economically driven performance accountability could lead to a permanent altering of the accepted conditions of employment and professional profiles of New Zealand’s academics. Such policies could significantly impact upon the capacity of New Zealand’s academics to exercise academic freedom and to act as the nation’s critical conscience (Peters, and Roberts, 1999).

The alternative is that some of our leading academics could choose to throw in the proverbial towel, exit their menial paid positions within the universities, and pursue higher paid career alternatives within the
private/corporate sector (and possibly abroad) (Hazeldine, 1998). The question that needs to be asked is how could the Labour/Alliance Coalition fulfill its 1999 election campaign undertaking to “build a knowledge society” if the knowledge it would rely upon to lead the way had gone elsewhere?

The Vocationalising of Degrees

The efficiency model implemented by successive neo-liberal/NPM governments allowed those governments to argue that qualifications distributed by the tertiary education sector needed to match employer and labour market requirements (Peters and Roberts, 1999). But it was not just government policy that drove this kind of ideology. Mounting student debt accompanied by the casualisation of the workforce and the decline in graduate income earning potential created a student/consumer demand for degrees that offered clear and definitive employment and vocational credentials (ibid.). In an environment where consumer needs and wants tended to dominate service provision, the demands that were imposed by students could be just as oppressive as the policies imposed by government (Gould, 1999).

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3 Dr. Mark Olssen, in announcing his intended departure to England in the Otago Daily Times (10 May, 2001) listed a number of leading New Zealand Educationalists who had either abandoned, or were in the process of abandoning, New Zealand’s ‘academic ship’. Gary McCullock, Megan Boler, Susan Robertson, Janet Soler, Martin Thrupp, Hugh Lauder and Michael Peters were all named by Olssen as academics who had recently foregone a career within New Zealand’s universities for opportunities in either Britain or the United States.
New Zealand was not alone here. Tertiary education institutions in other countries were also coming under pressure to vocationalise their degree structures. In response to both political and public pressure, over 130 different professional doctorate programmes had been established in Britain by the end of 1999 (Bourner et al., 2000).

In keeping with the view that education was a commodity available for market exchange, the emphasis within most undergraduate programmes in the contemporary university is often given to the individual needs of the student, keeping in mind that students are participating as a consumer in receipt of a service. More recently, and evident within most New Zealand universities, the need to cater for the student as consumer has led to the creation of degrees and qualifications that respond to the future professional and vocational needs of the student/consumer (Jackson, 1999). The risk in all of this, if one may choose to perceive it as such, is that ultimately the student/consumer will seek to select programmes solely for their income generating capacity as an employment credential, undermining any pursuit of knowledge for its own sake (Peters and Roberts, 1999). Degree programmes will become potential ‘slaves to fashion’, rising and falling at the discretion of the market, meeting the demands, whims and wants of the consumer and, at the same time, the needs and requirements of the employer and of the widening global marketplace.
With so much dependent upon consumer demand, academics would also have to review the way they responded to their role as teacher and to the way they coordinated their various degree programmes. Part of the NPM accountability discourse demands that workers within governmental and non-governmental sectors frequently review and analyse their own programmes and activities within managerialist terms (Jones and May, 1999). In New Zealand’s universities academic divisions, departments and individual course structures are constantly appraised and re-appraised with decisions about them being made according to effectiveness and efficiency criteria (Olssen, 2000). This places enormous stress upon the relationships that exist between the university teaching staff (academics) and management, and between the teaching staff and the student/consumer (Bourdieu et al., 1996). It also serves to further erode any genuine pursuit of academic freedom.

**Academic Freedom**

For the purpose of this thesis, the idea of ‘academic freedom’ is used and expressed in accordance with the manner to which it has been defined and enshrined within the Education Act 1989. As such, Academic freedom is the capacity of academics, constrained only by the juridical restrictions of law, to question and challenge received wisdom and to espouse new ideas and opinions even of a controversial nature (Education
Act, 1989, s. 161.2; paraphrased). The Act (ibid.) provides the freedom for academics to engage in research, to regulate the subject matter of courses, and to teach and assess students in a way deemed as being beneficial to positive learning. Therefore, according to Jackson (1999) it is strongly implied within the 1989 Education Act (and its subsequent amendments) that the government, the university institutions and society at large carry the highest level of responsibility in ensuring that academic freedom does exist with minimal constraint within the tertiary education sector. Yet there are conflicts inherent within government policy, within the way universities must function in order to remain competitive, and within the relationship that exists between the sector and various groups within society that directly impact upon the genuine practice of academic freedom.

It has already been discussed how, at the policy level, the NPM discourse demands stringent performance and accountability measures to ensure that the service delivery within the institutions meets the highest levels of efficiency. Monitoring the activities of academics in such neo-liberal/economic terms creates enormous tension for academics in respect of the activities they can freely undertake. For example, academics’ time becomes accountable in terms of developing and improving their teaching programmes, and this time-consuming necessity precludes academics from other intellectual pursuits that do not offer immediate quantifiable
outcomes. In addition, with the universities competing as quasi-corporate enterprises, further restraint is placed upon the academic’s ability to generate free and innovative ideas by the demands imposed as a consequence of each institution’s requirements to capture their own individual share of the student/research market. If, for example, a particular drug company provided an institution with a major research grant, it is unlikely that the same academics would be able to pursue parallel research interests using a competitor’s product. There would also be a possibility that academics could feel pressured to publicly endorse the sponsor’s product as part of their own institutional commitment. Finally, various groups in society generate a particular need for the universities to respond to them in a specific way that differs to the criteria inherent within the various monitoring systems that are used to evaluate academic performance and activity. For example, Kelsey (2000: 231) points to the contradiction that exists between the ideal of academic freedom and the embodiment of the Treaty of Waitangi. While Maori have to fight to exercise their right of tino rangatiratanga (the right to exercise a degree of self-determination and to practice all activities in a way culturally relevant to Maori), and until their own cultural practice is accepted unconditionally within the realms of the academic world, they are denied access to academic freedom, the freedom to express their own valid ideas.
It has been suggested by a number of critics (Kerr and Irwin, 1998; NZBR, 1988; OECD, 1987) that the entire academic freedom ‘debate’ has been used repetitively by academics in an attempt to simply avoid the kinds of competition that would demand accountability upon their part. The consensus here is that academics are destined to express an ongoing preference for maintaining the status-quo that has existed within the modern universities since the enlightenment period as a justification for their own ‘irrelevant’ quests for knowledge (Jackson, 1999). Other criticisms are based on arguments that within a modern global framework encompassed by instantaneous modalities of information technology and communication that serve to transmit a more transnational form of living culture, the traditional academics only exist to espouse a rudimentary, non-functional, stagnant form of culture (Bourdieu et al., 1996: 30). This criticism would indicate that the academic’s role as society’s ‘critic and conscience’ becomes an act of critiquing discourse. In this sense, Danaher et al. (2000: 42) suggested that the genuine Kantian role of the academic had been obscured in that the ‘truth claims’ of academics appeared only to have validity because they existed as a critique of other ‘truth claims’ (i.e. those played out by government, business, the media, educational institutions and so on). This suggests that the academic’s own discourse resides selectively within other forms of discourse and that while academics exist to critique society, society is unable to adequately critique academics. Nevertheless the architects of reform have maintained that they
never attacked the right of academics to pursue and to espouse free and independent thought. Rather, they have simply set out to create a tertiary education sector that is more responsive to the needs of its users, to the society it serves, and to the parties that fund it.

As stated previously, within this more responsive tertiary education sector academics involved within the teaching of various degree programmes are continually required to demonstrate the efficiency and effectiveness of their teaching activities. Therefore, the expectation of traditional academics to research and express new and innovative ideas could become subservient to the ongoing need to satisfy consumer and institutional demands, placing the Kantian approach in conflict with the contemporary need to demonstrate outcomes.

The New Zealand Business Roundtable (NZBR) is but one powerful lobby group that has continued to express strong criticisms of the perceived self-indulgent pursuits of research driven academics, particularly those working within the Humanities (Peters and Roberts, 1999). In supporting the devolution of the universities in favour of a privatised system of Tertiary Education Institutes (TEIs), the NZBR claimed that academic freedom would not be compromised by such a move.
Academic freedom is not compromised in the many private universities in the United States. If anything, removing universities from state ownership would enhance academic freedom. (Kerr and Irwin, 1998: 3)

If the rhetoric of the NZBR were to be believed, then it would appear that there is no evidence supporting any notion that academic freedom is threatened by increased accountability or by the privatisation of the tertiary education sector. According to the NZBR discourse, private tertiary institutions operating to the demands of the market offer the individual academic greater opportunities of scholastic freedom due to the TEIs' business-like need to promote diversity and competition. The question that needs to be asked here is 'where would the freedom of expression be situated within the private university model espoused by the NZBR?' Certainly there would be greater academic freedom for the individual so long as the individual's view matched the dominant discourse of their employing institution. But where the institution's views and the academic's views were in conflict, how long would the institution, as a private employer, tolerate the dissenting voice? While the Education Act 1989 (Sections 160 and 161) affirms rights to ideological freedom, the distinction it draws between the rights of the institution and the separate rights of the individual are negligible.

Within a private tertiary model it is predominantly the institution that has the freedom to express ideas, not the individual. When the university takes on the persona of a managerialist enterprise the
consequences for academic freedom become an issue of academic freedom in itself (Kelsey, 2000: 238). Trow (1996: 314) contended that by demanding greater accountability from academics, this signified an element of distrust towards academics. In this case, tension existed between the academic and the ‘accountant’, seriously undermining the academic’s ability to espouse his/her own notion of ‘truth’ when that ‘truth’ impinged upon the busnocratic epistemology guiding his/her specific institution. In short, academic freedom cannot exist beneath the constant gaze of an ‘economic watchdog’.

As stated previously, the traditional view of scholarship and academia can be traced back to the enlightenment discourse of Immanuel Kant. This view of an academic was more than simply preserving and transmitting ‘accepted’ knowledge, it was about the journey that one was required to undertake into the realms of the unknown, an intellectual voyage of discovery (Gould, 1999: 32). Along this journey there will be times when things are said that may not always be diplomatic and comfortable (Jackson, 1999). For those who say such things, it is essential for the growth of a society’s intellectual capital that these individuals feel free from any possible recrimination from the institution or the wider society as a result of having espoused an alternative idea.
Despite the ongoing market reforms imposed upon the tertiary education sector, New Zealand demands that its academics maintain this right to the free expression of ideas by requiring the universities to operate as the "critic and conscience of society" (Education Amendment Act. 1990, s.162).

To limit the role of universities so that they are engaged only in pursuits whose purpose and outcome is predetermined by governments or market operators is to deny and constrain the real meaning of the universities' value to our society, and it is society as a whole which will suffer as a consequence.

(Gould, 1999: 33)

Conclusion

Within the shadow of the new millennium the economic discourse that has permeated New Zealand's education sector, as part of the marketisation of New Zealand as a whole, has slowly eroded academic freedom by monitoring academics' teaching activities, redefining their conditions of employment, and by forcing institutions into a mode of competition that demands consumer responsiveness and stakeholder accountability.

These changes, discussed in more detail in Part Two, could serve to gradually divest academics of the intellectual independence that has enabled them to act as a 'critic and conscience' within New Zealand society. The need to have corporatised market-driven universities that could offer specialised vocational programmes that meet human capital
needs of both the national and global workforce has taken precedence over any Kantian character that may still exist within New Zealand's tertiary education sector. The role of the academic currently undergoes significant widespread scrutiny as all academic activity is somehow accountable to the tertiary sector's various stakeholders: the government and other funding bodies; the students as consumers; the employment and labour markets; the consumers of research; the various tertiary institutions; and the academics themselves.

However, in 1997 Dr. Mark Olssen of the University of Otago argued that the neo-liberal attack upon the tertiary education sector was more than simply a threat to institutional autonomy and academic freedom. He argued that the NPM approach to monitoring performance and accountability amounted to nothing more than an attempt by powerful vested interest groups from within New Zealand's market driven society to increase "surveillance and control" over New Zealand's tertiary education sector (Otago Daily Times, 7 November 1997). Within this new climate academics would find themselves isolated and alone beneath the individualising gaze of NPM discourse; a gaze in which the academics themselves would play a part through their own processes of self-review.

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Beneath the mountain's arm within the Wizard's Vale through the years uncounted had stood that ancient place the Men called Isengard... ...A great ring-wall of stone, like towering cliffs... ...Many houses there were, chambers, halls and passages, cut and tunnelled back into the walls upon their inner side, so that all the open circle was overlooked by countless windows and dark doors... ...To the centre all the roads ran between their chains. There stood a tower of marvellous shape...


For my son, Toby
CHAPTER 6

Universities, Managerial Discourse and
a Culture of Performance

It has been easy for the public to believe that the main object of the changes since 1984 has been to save money. The 'reforms' have often been advanced under that guise. It is, however, a mistaken view. The object is ideological. The millenarian vision of ideologies involves an unremitting attack on the structures of democratic pluralism. Their central project is the negation of community values and the redefinition of the citizen as merely consumer. The aim involves the destruction of that sense of communal responsibility which infused the creation of the modern democratic state, but which Hayek traduced as an inconvenient hangover from tribal consciousness.

(Butterworth and Tarling, 1994: 250-251)

As stated at the outset of the previous chapter, within the latter half of the twentieth century New Zealand's universities have had to endure the same problems as universities abroad. Like their counterparts in other western democracies, the New Zealand institutions were continually trying to resolve issues such as the effects of 'globalisation', the impact of increased participation through life-long learning initiatives, the urgency of a growing 'skills crisis', and the need to offset a decline of state-sector funding (Peters and Roberts, 1999).

The changes and reforms that have been imposed upon the New Zealand universities over the last two decades can only be understood by examining them in the context of the social, political and economic
changes that have impacted upon New Zealand since 1984. Promoted by the New Zealand Treasury, there was a firm belief within the governing forces of that time that every aspect of society could somehow be broken down into quantifiable increments of 'inputs', 'outputs' and 'throughputs' (Peters and Roberts, 1999).

By 1987, in its Brief Government Management, the New Zealand Treasury promoted a new economic direction that espoused notions of transparency, accountability, the removal of 'capture', and improvements in cost-effectiveness (Hood, 1990). This new direction incorporated both a Managerial Monetarist approach to economy and Public Choice Theory, the tools and mechanisms inherent within a redefined neo-liberal platform most commonly referred to as New Public Management (NPM) (Jones and May, 1999; Peters and Roberts, 1999; Thrupp, 1997). With a preoccupation for ongoing monitoring, inspection and review; successive New Zealand governments have demonstrated a determination within their education reforms to impose the NPM style of surveillance upon New Zealand's universities (Olssen, 2000).

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1 As discussed in Chapter 2, it was in that year that the Fourth Labour Government implemented a neo-liberal reform agenda designed to alter the long established relationships that had previously existed between the state, the economy, and the general population.
This chapter explores the NPM monitoring regime by examining the issues of performance and accountability as they exist within the contemporary tertiary education sector. It will begin by revisiting the managerial agenda as created by successive New Zealand governments since the mid-1980s. This will include a closer examination of neo-liberal discourse. The chapter will also present a discussion on issues of access, opportunity and participation by students and other stakeholders that includes a detailed account of PCT in action through consumer costs and obligations, and through contestable, performance-based research models. Finally, the chapter will draw attention to the issues of performance and accountability, examining how these issues were conceptualised in the 1990s by the Tertiary Green and Tertiary White Papers, and in the new millennium by the Labour/Alliance Coalition Government. This will begin to reveal how successive New Zealand governments have attempted to impose policies of surveillance from the macro to the micro levels of the tertiary education sector.

Establishing a need for a culture of performance

There have been significant questions raised about the issues of ‘ownership’ and ‘governance’ within New Zealand over the last two decades. These questions have arisen as a direct consequence of an agenda for reform that has attempted to readjust the New Zealand political and economic environment to allow it to correspond with similar changes that
have happened abroad. The majority of western democracies have shifted from industrial-age capitalism to a more transnational ‘Post-Fordist’ model, generating a human ‘skills crisis’ worldwide (Peters and Roberts, 1999).²

Without overlooking the fact that educational institutions have always competed with each other for a variety of reasons, within this kind of environment educational institutions became as competitive as their industrial counterparts (in a very corporate sense), competing against other educational providers to increase market share of education consumption. In 1987 the New Zealand Treasury Brief, *Government Management*, clearly advocated a need to introduce a methodology of management and accountability to all public-sector service providers (including the universities and other Tertiary Education Institutions or TEIs). This was done in the belief that a shift in policy was required to counteract the long term negative effects that had resulted as a consequence of the heavy handed interventionist styled governments of the past (Olssen, 2000).

Within the Treasury rhetoric there was a new discourse that introduced the vocabulary of managerialism: “*performance indicators*”,

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² Post-Fordism refers to systems of production that place a greater emphasis upon flexibility (rather than mass production), target export/global markets (as opposed to traditional internally protected markets) and provide very specific and individualised systems of marketing and manufacturing, often referred to as ‘niche’ marketing (Peters and Roberts, 1999).
"strategic planning" and "measurements of efficiency" (Peters, 1992). The new discourse was clearly designed to reflect a government commitment to improve public service delivery systems by enhancing the accountability of the public-sector, including the universities and other TEIs, within an economic framework based upon the belief that the marketplace would always produce the greatest levels of efficiency. As a consequence of the new discourse an ethos of devolution and privatisation prevailed. There is little doubt that throughout this period of massive restructuring, New Zealand's universities had to continually cut costs, promote new models of efficiency, and pursue new opportunities for generating revenue (Peters, 1997a).

In examining the issue of privatisation as it relates to the New Zealand tertiary education sector, it is important to understand the neo-liberal concept of 'devolution'. Within neo-liberal discourse the concept is usually defined in terms of a contractual, economic model where government responsibilities are relinquished to independent public and private contracting agents through a process of delegation. The contractual model is designed to nurture economic opportunism where a relationship is established between the agent (institution) and the principal (government), but where the agent remains loyal to the interests of the principal (Peters and Roberts, 1999). This model of devolution only recognises the responsibility that exists contractually between the principal
and the agent and this can lead to a conflict of interest if the agent has to interact with more than one principal (e.g. government and private sponsor).

The axioms of devolution and privatisation inherent within the 1987 Treasury Brief were again echoed in the NZBR’s (1988) Reforming Tertiary Education in New Zealand. This report reiterated the commodification of education based on the argument that the main benefits of any education, but particularly tertiary education, were essentially a private good benefiting the consumer (Olssen, 2000). It was a logical progression for Treasury and the business sector to argue for the privatisation of tertiary education based on the premise that private provision would offer a more efficient, flexible and responsive educational experience than that which could be provided by the state (Peters, 1997). Bushnell and Scott (1988) supported a devolved model of tertiary provision because they believed that a more privatised/contractual-based model of tertiary education would assist in fostering the objectives of the principal who, in this case, would be government. This model of tertiary education required the agent’s obligation to remain loyal to the principal under all conditions, and this led to a debate concerning the traditional governance of New Zealand’s universities.
Within both the 1997 *Tertiary Green Paper* and the 1998 *Tertiary White Paper* it had been suggested that individuals upon various university councils were often placed in a position whereby they could put their own specific interests ahead of those of their particular institution, and often to the detriment of that institution (Peters and Roberts, 1999). Members of such bodies generally resided within the Kantian realm, embracing their ‘critic and conscience’ role with great vigour. But in being the critic and conscience of society, this meant critiquing government agendas as well. Within the discourse of NPM this was unacceptable in that the discourse required an agent (the university council membership) to demonstrate loyalty to its principal (government).

The preferred model of governance was the ‘chief executive’ model for the way that it reputedly generated optimum performance levels within private-sector corporations. This model would see the establishment of a ‘Board of Directors’, with every member elected upon the basis of their management expertise (Bushnell and Scott, 1988). Within this model no academic personnel were required, removing the agent/principal conflict associated with the Kantian ideal, and avoiding individuals pursuing their own vested (academic) interests ahead of those of both the institution and the state or principal.
A prime example of the call for tertiary sector privatisation is that presented by the NZBR in its 1998 submission to the 1997 Tertiary Green Paper. Within that submission the NZBR expressed a concern about the extent to which competition between various TEIs was being constrained by excessive government imposed entry and exit barriers, bureaucratic funding arrangements, complicated accreditation procedures and state ownership (Kerr and Irwin, 1998). The Tertiary Green Paper had recommended that the number and type of TEI providers should be regulated (Ministry of Education, 1997). This was rejected by the NZBR in that it imposed restrictions upon genuine competition (Education Forum, 1998). Further, it was the NZBR’s contention that despite the ongoing rhetoric of both the Ministry of Education and the government, there was no real genuine case put forward to support continued state ownership of the sector.\(^3\) The danger that existed within a system dominated and controlled by the state was that the universities and TEIs were constantly under threat to have “...their decisions taken from them, even in strictly academic matters. The piper who pays wants increasingly to call the tune...” (Jackson, 1983: 13). State ownership was simply inconsistent with the competitive market (Education Forum, 1998).\(^4\)

\(^3\) The NZBR had advocated privatisation as early as 1988 within its Reforming Tertiary Education in New Zealand. It was within this report that the thesis was advanced that independence allowed the TEIs to determine their own financial budgets, and this would be done in response to the successful provision of their services to their students and research based clients.

\(^4\) In responding to their opponents who argued that education was an ‘essential good’ and therefore needed to be produced by the public-sector, the NZBR (Kerr and Irwin, 1998: 3) responded that “food is an essential good. Like most other essential goods and services, it is successfully produced in the private-sector”.

Accompanying this ongoing concern about the role of the state in governing the sector was the way in which mechanisms of funding appeared to discriminate against private providers. There was a call from the NZBR in its response to the *Tertiary Green Paper* to adopt a so-called ‘neutral’ funding programme within the next five years (Kerr and Irwin, 1998). Along with this neutrality in funding was a call to abandon the notion that the descriptions of ‘university’ and ‘degree’ needed to be protected to maintain New Zealand’s international credibility. The NZBR argued that in removing naming restrictions, this would have the beneficial effect of encouraging greater competition between the various universities and TEIs as each attempted to advance its own individual reputation both here and abroad (Education Forum, 1998).

In terms of general participation, prior to 1990 New Zealand had adopted an ‘egalitarian’ approach to educational provision that supported tertiary students with minimal fee obligations and a comprehensive living allowance (Stephens, 1997). However, since the mid-1980s there has been a shift in the perceived status of tertiary education. Although tertiary education still exists within the post-compulsory education sector, many now perceive it as an essential requirement that allows the individual to

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5 This was based upon the principles inherent within the celebrated 1939 “equality of opportunity” statement made by the then Education Minister Peter Fraser who stated that “every person” had a right “to a free education of the kind for which [they were] best fitted...” (Currie Report, 1962: 1).
meet the demands of an expanded and technological labour market and a new globalised knowledge-driven community (Fitzsimons, 1997). As a consequence, as discussed in Chapter 3, successive New Zealand governments found themselves struggling during the 1990s as they tried to reconcile the burgeoning costs of tertiary education provision with the increased demand for participation imposed upon the tertiary education sector (Stephens, 1997).

The political engine that drove the devolution and privatisation reforms of the 1980s and 1990s was the neo-liberal paradigm of Public Choice Theory (PCT). This required a push to privatise the tertiary education sector wherever possible under the auspices that education (at any level) was a private good. In this sense, it was argued through a neo-liberal discourse that if educational institutions, and particularly those within the tertiary sector, had to compete for funds then this would have the ‘logical’ effect of increasing institutional efficiency and responsiveness. The basis behind this ‘logic’, as argued by Taylor (1991), was that educational institutions were like any other economic enterprise and responded extremely well to financial incentives.

Central to this was the philosophy of increasing student fees, introducing ‘user charges’ and adopting a student loan scheme. These three factors, supporting the view that education was a private good,
served the PCT proponents in two ways. Firstly, it created an environment where institutions were not simply demanding funds from government, they were competing for their share of the student fiscal pie. Secondly, it made the student adopt the guise of a consumer, chasing the most economically viable deal, reinforcing the competitive drive of the institutions to capture student/consumer demand. James Buchanan (1986) saw this as one of the major innovations of PCT, that gradually everything in society, including the political process itself, became eclipsed by the discourse of exchange.

Despite the ongoing desire of successive New Zealand governments to reduce all public-sector expenditure, the 1990s saw a substantial increase in tertiary level funding (Stephens, 1997). Accompanied by a student population that doubled during the same period, this increasing economic burden produced a subtle PCT shift from the egalitarian “right to access” to a commodity based “right to consume” (ibid.). Following successive recommendations from the New Zealand Treasury, the OECD and the NZBR; the National Government introduced a state funded student loan scheme in 1994 (Fitzsimons, 1997). It was believed that a scheme of this nature would assist in overcoming market imperfections without being viewed as another form of user subsidy (Education Forum, 1998).
Under the new scheme it was argued that students would now invest in their education at a level that would be equivalent to the likely benefits they would accrue as a consequence of their education (Fitzsimons, 1997). Students would therefore be investing in their own human capital potential (ibid.). Fitzsimons (1997) argued that this 'investment' analogy was problematic for two reasons. Firstly, it assumed that everyone who accrued a debt would gain a share of the 'profit' and not everyone who achieved a tertiary qualification succeeded in an entrepreneurial or economic capacity. Nor should it be assumed, despite neo-liberal references to the 'opportunity cost' of tertiary education, that the only way to measure the success of a graduate is through economic gain. Secondly, turning the neo-liberal notion of 'choice' into one of 'investment' altered the 'rational' behaviour of the consumer. Consumption would be based upon so-called opportunity costs and profits rather than service needs and wants. However, some sectors of the community, including the NZBR and the Education Forum, argued for greater privatisation of student funding by advocating the notion of vouchers.

In using a system of vouchers, the NZBR claimed that this would separate the two specific activities of the state in relation to education, the funding of the system and the direct provision of the system (Epstein, 1995: 24). The NZBR believed that a voucher system would lead to
significant improvements within the provision of tertiary level education within New Zealand. Through the notions of choice and consumer sovereignty, a voucher system would remove educational indoctrination by reducing the ability of specific groups to incorporate their own hidden agendas into the curriculum (ibid.). Vouchers would also relieve the contest between the various disciplines by allowing each discipline to exist upon its own performance-based merit, determined by its relative success in responding to the market. By separating the funding and the provision, this also would remove the possibility that education could become a political or industrial tool via special interest groups and labour unions, largely due to the individualistic nature of a voucher system (ibid.: 26).

According to the NZBR, vouchers would also generate opportunities for greater competition within the private-sector TEIs, leading to a greater diversity of opportunities within education as a whole.

*Education is the stuff of ordinary transactions, which should be as routine as we could possibly make them if only we had the wit to allow our imaginations to run wild with our schooling instead of with engineering our social arrangements.*

(Epstein, 1995: 43)

The NZBR also believed unequivocally that the area of research within the various universities and TEIs should be financed through a performance-based, contestable model of funding (Education Forum, 1998). Their assertion was that all research differed and as a consequence, it would be impossible to evaluate the outcomes of a multitude of research projects in terms of a single definitive measurable 'output'. Different
achievements within different areas of research deserved different rewards. Therefore it made perfect sense that the environment encompassing the realm of research should be driven by the same mechanisms of competition that determined student participation and general sector activity (Kerr and Irwin, 1998).

As the competitive-based reforms have gradually overtaken the New Zealand tertiary education sector many of the private tertiary education providers have benefited from a share of state research funding and student/consumer spending (Peters and Roberts, 1999). This whole new competitive ethos has placed the polytechnics alongside the universities with the former now able to compete at a transnational level by raising its own academic profile while leaving the latter to examine its own sector persona and concede the fragility that exists within any form of indulgent academic elitism (Halsey, 1992; Peters and Roberts, 1999).

In their 1999 book *University Futures and the Politics of Reform in New Zealand*, Michael Peters and Peter Roberts examined some of the concerns around the various issues related to mounting student debt and the idea of greater competition between institutions. They suggested that the concern students had over their mounting debt would only be exacerbated by a workplace environment that offered them 'flexible' positions based upon casual or contractual employment opportunities.
Peters and Roberts (ibid.) believed that this would ultimately impact upon course selection, generating the demise of the pursuit of knowledge for its own sake in favour of vocational disciplines. As a consequence they suggested that academics would be forced to alter their courses to respond to this vocational emphasis.

Within the same book Peters and Roberts (1999) suggested that the casualisation of academic employment would become a likely scenario. Tenure would succumb to accountability. The need for efficiency would eclipse the general activity of teaching and research. They argued that specialised areas and topics would be subjected to consumer demand and fiscal viability, and some knowledge could be lost. They also discussed their belief that research would become contractually contestable and that grants would be given through a tendering process. Therefore research itself would be altered to better attract the contestable funds. Overall, Peters and Roberts (1999) presented a compounding argument that the economic/NPM emphasis towards choice and accountability that had permeated the tertiary education sector over the last two decades would ultimately lead to a gradual decline in the quality of scholarship of New Zealand’s universities.
Performance and Accountability

In 1987 the OECD began to question the function of the modern tertiary education sector by using a neo-liberal/NPM discourse in a publication entitled *Universities Under Scrutiny* (Peters, 1992). The OECD document examined tertiary sector performance using terms such as “quality”, “efficiency”, “performance”, “management”, “leadership”, “funding” and “evaluation” with an emphasis clearly given to economic considerations in education with a greater preference towards vocational models or applied research and development models (OECD, 1987: 99-104). This meant that the tertiary sector institutions were accountable to all their stakeholders for what they did. Where they failed to sufficiently meet their stakeholder obligations it was argued that the institutions would need to be penalised (Peters and Roberts, 1999).

The issue of ‘quality’ became the central focus of tertiary level education and with this newfound emphasis came the need to establish and implement new and comprehensive monitoring regimes (Codd, 1999). As the NPM rhetoric became more enshrined within the discourse of educational policy and ideology, the entire ‘quality’ of education came to exist within this realm of constant monitoring and surveillance, defined by a set of key “performance indicators”(ibid. 47). John Elliot (1990: 7) described *performance indicators* as

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...creatures of the bureaucratic mind. They enable evaluations to be conducted in the office on the basis of paper returns and indicate very little about the research ethos in academic institutions.

Within NPM discourse, *performance indicators* are considered an essential component to any monitoring programme that attempts to measure the quality, efficiency and productivity of tertiary level education. Set against the backdrop of devolution and marketisation, and tied into the allocation of resources and the political context of educational provision, *performance indicators* are essentially the point of reference against which efficiency and accountability can be determined, according to the rhetoric, in a "value-free" way (Peters, 1992: 127).

The entire ethos of efficiency and productivity has not just been confined to New Zealand. The OECD's (1987) *Universities Under Scrutiny* clearly advocated the need for universities and other TEIs to offer career orientated courses of study and emphasised the need for greater accountability within the production of an institution's 'output' (Peters, 1992). In targeting costs and measuring efficiency, by examining specific courses in terms of their vocational applicability, and by making assessments against a specific policy agenda, *performance indicators* become value laden instruments of measurement. In *Performance Indicators in Higher Education*, the OECD (1988:40) described *performance indicators* as being "related to a system of values and any
comparison [between individual countries] needs to take into account the existence of the systems and the way they have evolved.”

In short, performance indicators will almost invariably be political by nature. To suggest that performance indicators be in tune with the policy context of a particular country places the evaluative control of education into the hands of the dominant social groups within that society. Education therefore becomes a reproductive tool used to maintain the existing social and political relations (Ashcroft, 2001; Nash, 1993). The same argument is likely to apply even within a transnational education sector evaluated by any globalised system of surveillance. Any globalised system will not reduce the kinds of inequalities that exist because one social group dominates the decision-making positions of ‘power’ while other groups will continually experience subjugation as a consequence of the structural mechanisms of reproduction.

Performance and Accountability in the late 1990s

In examining the policy agenda of the 1980s and 1990s, it is clear that directions taken within education were driven by an ideology that targeted reduced spending and promoted competition and a preference for the contractual privatisation of the way that knowledge and education was exchanged (Peters, 1992; Olssen, 2000). Throughout this period there was a vocational drive behind the reform process, indicative of the influence of
the neo-liberal hegemony of the time that created the perception that the only value that existed within any body of knowledge was in its ability to be applied. Within this context education was conceptualised like all other products and services that existed within a deregulated market place. It had currency in its exchange value.

Largely due to this commodified market/exchange view of education, both the 1997 *Tertiary Green Paper* and the 1998 *Tertiary White Paper* argued that the viability of the tertiary education sector could be determined by financially defined *performance indicators* as part of a stringent monitoring and accountability regime (Ministry of Education 1997; 1998). In particular, the *Tertiary White Paper* (Ministry of Education 1998) recommended that the governance of education should follow in the same direction that had occurred in the public-sector. This was a devolutionary model that emphasised fiscal responsibility and ‘choice’ as the preferred alternative. The *Tertiary White Paper* established a connection between sector accountability and stakeholder ‘ownership’ risk; recommending that the various universities and TEIs needed to be placed upon the sixth schedule of the 1989 Public Finance Act (ibid.). These kinds of reforms and recommendations served to establish a very clear contractual model of tertiary education. Within this model a covenant of accountability existed between the universities and government under a system that could reward or punish institutional
performance against pre-determined expectations and objectives (Olssen, 2000: 43).

Within the Tertiary White Paper there was also an examination of how the neo-liberal policy agenda impacted upon the ‘users’ of the system: the students. They became “roving consumers, continually seeking out the best value for their educational dollars” (Peters and Roberts, 1999: 188-189). According to the Tertiary White Paper’s position, the students’ demand upon the sector, driven by the fact that the onus of the financial cost of education had been placed upon the shoulders of the student, served to “enhance the quality and relevance of tertiary education” (ibid: 189).

The government, through the recommendations made within the Tertiary White Paper, had followed on from the directions of accountability and quality assurance inherent within the earlier Tertiary Green Paper. Many critics saw the Tertiary White Paper’s proposed policy directions as a clear agenda for the privatisation of tertiary education in New Zealand.

*It is possible to see the white paper as one of the final steps in a process of incremental neoliberal reform, paving the way, via a far reaching set of policy and legislative changes, to a fully privatised tertiary education system.*

(Peters and Roberts, 1999: 47)
It can be argued that both the *Tertiary Green Paper* and the *Tertiary White Paper* presented the premise that financial performance was perhaps the most crucial factor in assuring the professional reputation of any tertiary institution, and it was this epistemological assumption that gave rise to the recommendations on monitoring and accountability (Olssen, 2000). Nevertheless, these recommendations posed a significant threat upon the traditional ideals of institutional autonomy and academic freedom as they had existed within New Zealand’s tertiary education sector by promoting a new ethos that would place the sector under a regime of constant surveillance (ibid: 43).

*Performance and Accountability and the Labour/Alliance Coalition*

The Labour/Alliance Coalition Government (1999), despite claiming to be a centre left government, demonstrated a strong interest in having quality assurance mechanisms applied to the tertiary education sector. Their political ethos, still echoing the NPM style of governance, emphasised the need to ensure that the consumer received value for their educational dollar by monitoring the purpose, relevance and standards of the education being delivered by individual providers (Ministry of Education, 1999). These quality assurance mechanisms would remain separate from the mechanisms used to determine the funding allocation granted to individual TEIs (TEAC, 2001). This separation in the quality assurance mechanisms and the funding of tertiary education was similar to
the separation of the funding and provision of tertiary education advocated by Epstein (1995) in his support for a system of user vouchers. These kinds of separations are very characteristic of NPM discourse and practice.

As indicated in Chapter 4, the Labour/Alliance Coalition followed the recommendations made within the four separate Tertiary Education Advisory Commission (TEAC) reports and introduced the Tertiary Education Reform Bill on 3 December 2001. The Bill signified a new complexity in the levels of monitoring and surveillance that would be imposed upon New Zealand’s tertiary education sector. The Bill supported a new *Tertiary Education Strategy* (TES) that would be driven and defined by the government’s own national goals and objectives. The TES would promote a competitive performance-based approach to research and a ‘quality-tested’ teaching practice. Using a new system of strengthened charters and profiles, the tertiary education institutions and academics would find themselves exposed to a system that demanded specified levels of ‘performance’ and compliance beneath the perpetual gaze of a new institutional ‘watchdog’: the Tertiary Education Commission.

A concern that was raised by a number of commentators as a consequence of the various TEAC recommendations was its faith, and the faith of the Labour/Alliance Coalition Government, in centralised funding. The Education Forum re-espoused the notion of Public Choice in
critiquing TEAC’s position. According to Norman LaRoque (2001), in order for a centralised funding model to be successful, one had to believe that the central funding body (government) was able to determine what courses and programmes best fitted with the national interests of New Zealand and with the actual demands of the consumer. Yet it could well be argued that both the providers and (more-so) the consumers had a greater motivation than government to know which courses and programmes better served their particular and specific interests (ibid.).

The president of the Association of Private Education Providers (NZAPEP), Kevin Smith, welcomed many of the recommendations inherent within the four TEAC reports (Education Review, 2002). He believed that the new quality assurance mechanisms and the requirements upon the institutions with respect to charters and profiles offered all providers (public and private) new opportunities to succeed by targeting and eliminating ‘shoddy’ providers. Paul Williams, executive director of the Industry Training Federation (ITF) was also optimistic about the proposed new reforms (ibid.). While he understood that others had raised concerns about the Education Minister’s increased powers of intervention, he felt that the various Industry Training Organisations (ITOs) were comfortable with increased Ministerial authority. He believed that while the government, as a stakeholder, would take a more ‘hands-on’ approach
in tertiary education, this did not necessarily mean political intervention. The role would simply be one of a ‘systems manager’.

In responding to the various criticisms directed at the issue of increased Ministerial powers, the Associate Minister of [Tertiary] Education gave his assurance that there would be no political interference within the tertiary education sector (Maharey, 2001). He also stated that there would be no increase in the administrative bureaucracy that guided the sector. Maharey dismissed any concerns about Ministerial or bureaucratic intervention into the traditional autonomies of the system, but strongly advocated the TEAC model for its single compliance regime. According to Maharey (ibid.), a system of charters and profiles, along with a defined tertiary education strategy and a specific body to administer it (the Tertiary Education Commission) would ensure better efficiencies within New Zealand’s tertiary education sector.

Conclusion

It is often said that those who ignore the lessons of history are destined to repeat them. Education policymakers in New Zealand might well ask, therefore, where the ideologues of economic rationalism and the new cult of efficiency and managerialism are taking them.

(Codd, 1999: 47)

According to a plethora of publications, reports and media releases the Labour/Alliance Coalition Government acknowledged the significant importance of tertiary level education. But having acknowledged this, the
Coalition continued to follow the New Public Managerial approach of monitoring the performance and accountability of New Zealand’s tertiary education sector. Instead, the critical question that needed to be asked was “how did this government view issues of performance and accountability in relation to a succession of governments that had continued to impose neo-liberal policies upon the sector?”

To some degree the Labour/Alliance Coalition continued to carry a substantial ‘ownership’ risk as one of the sector’s main stakeholders (Olssen, 2000). This ‘ownership’ risk was presented as the justification for the imposition of new monitoring regimes. But as Codd (1999: 45) argued, this new level of centralised surveillance fostered a “culture of distrust” within the sector’s institutions because the forces directing those institutions were no longer determined (if, indeed, they ever were) by the individuals who resided within those institutions. The steadfast traditions of institutional autonomy and academic freedom have since been replaced by government enacted NPM policies. These policies are designed to dictate the activities of the various institutions within the sector, and function to structure and determine the social and economic behaviour of individuals within these institutions.

But there is an implicit irony within neo-liberal discourse. According to this discourse, human beings live by seeking ways to
enhance their own opportunism. They are the "owners of their own capacity" and they exist to maximise their own personal interests ahead of any collective interests they may have in common with other such individuals (Hobbes, cited in Lauder, 1996: 4). Nevertheless, as argued by Tim Hazeldine (1998: 124), when individuals are constantly watched, monitored and evaluated in an environment devoid of trust as a consequence of the neo-liberal/PCT need to monitor opportunism within public-sector institutions, eventually they adjust their behaviour accordingly. Parallel to Foucault's (1977) argument that prisoners within a panopticon will begin to monitor and adjust their behaviour to act like 'prisoners' due to the symbolic consistency of 'prison' surveillance; Hazeldine (1998: 216) suggests that people who are monitored by a system that does not trust them will respond by becoming untrustworthy.

Within New Zealand's contemporary universities every aspect of daily life is now impacted by systems of surveillance. The institutions are constantly made accountable to stakeholders and contractual activities dominate their ability to provide their educational service (Olssen, 2000). Even the university's 'critic and conscience' role must be questioned. At the very least, that role is evolving to become one defined as 'the critic and conscience of society in so far as this does not conflict with the university's own contractual obligations to its principal'.
CHAPTER 7

New Public Managerialism and the Panoptic Gaze

Today we live in a society programmed basically by Bentham, a panoptic society, a society where panopticism reigns.

(Foucault, 1973: 70)

Since 1984, when the Fourth Labour Government introduced a new political agenda shaped by economic prioritisation, New Zealand has undergone a significant political, social and economic transformation. As discussed in Part One, tertiary level education was seen as a crucial part of this transformation, serving as an industry of the future that could facilitate New Zealand’s economic self-determination within a competitive global marketplace.

The enormous transformation that has impacted New Zealand over the course of the last two decades has largely been directed by the laissez-faire discourse of neo-liberalism and Public Choice Theory (PCT). Fitzsimons et al. (1999) argued that neo-liberalism had become a form of government rationality that depended on the façade of a minimalist state infrastructure and the mechanisms of the market to regulate society. Fitzsimons et al. (ibid.) suggested that this emphasis on an economic

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discourse became the meta-narrative that defined all aspects of New Zealand's public policy. This meta-narrative would then effectively silence alternative discourses along with those who espoused them.

This chapter explores the New Public Managerial (NPM) approach to New Zealand's tertiary education sector with an emphasis given to the way that NPM styled policies create covert forms of surveillance and control within tertiary education institutions. It will begin by expanding upon the descriptions of NPM that were presented in Part One, and by discussing NPM in relation to government, institutions and to the concept of power. It will then introduce the idea of **panopticism**, based upon the prison reformation writings of Jeremy Bentham and the post-modern philosophical work of Michel Foucault. It will then compare Bentham's eighteenth century panopticon to NPM as it is currently applied within New Zealand. Finally the chapter will examine panopticism (as a form of surveillance) within contemporary New Zealand tertiary education reform. This will give specific attention to the 1998 *Tertiary White Paper*, the 2000/2001 TEAC Reports, the 2001 Labour/Alliance Coalition Budget and the 2001 Tertiary Education Reform Bill.

**New Public Management**

New Public Management is the term usually given to describe the structural, organisational and managerial changes that have altered the New Zealand public-sector over the last two decades. It is a model of
administrative management that is based on Public Choice principles by applying private-sector management techniques to public-sector organisations (Farnham and Horton, 1993). While the origins of NPM have often been attributed to an international rise of neo-liberalism that has dominated western global politics since the 1970s, an early form of NPM was actually developed as far back as 1911. As discussed in Chapter 3, Frederick Taylor developed Scientific Management Theory as a technique that promoted capital accumulation through the specialisation of labour based upon an analogy of a factory (or organisation) as a machine.

NPM has a set of distinct characteristics that were identified by Farnham and Horton (1993). NPM adopts a strategic approach to management that sets specified objectives and establishes clear policy guidelines, and attempts to structure organisations so that policy development and administration remain separated (as indicated in Chapter 6). Institutional hierarchies are devolved in favour of a more contractual form of management whereby managers take on the responsibility for the performance of their organisations. This performance is generally measured by economic criteria and based primarily upon the same market-based principles that determine the effectiveness of private-sector corporations. This requires individualising the workforce to promote opportunism in line with a Public Choice theoretical rationale. This leads to an altering of the employer/employee relationship to one that also
resembles a contractual principal/agent relationship whereby achievement for the agent (in terms of earning capacity) is determined by workplace performance. Finally, services under NPM are no longer defined and distributed by the organisations providing them. The organisations continue to distribute the services but these are now defined by the market led demands of their consumers and stakeholders (Farnham and Horton, 1993).  

NPM is simply a technique of management that, once set into place, is able to function by its own inertia. Nevertheless, while it is simply a tool, NPM must also be seen for its role within a discourse of neo-liberalism, as a mechanism constructed to redesign and then manage the role of the state within society (Jones and May, 1999). Inherent to NPM is a set of assumptions and values drawn from PCT and various economic perspectives that believe that business management structures can be applied to human service organisations in both the public and private sectors (ibid.).

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2 Under a more Keynesian approach of interventionism, institutional organisations would often determine what services they would provide to their clients and then make their clients ‘fit’ within the parameters of that service. Organisations operating under neo-liberal or NPM criteria are required to adapt their services to meet the needs of the community using them. These needs are usually defined by the principal to which the organisation is contractually bound as an agent. This, according to NPM discourse, creates greater efficiencies in service delivery and outcomes but still leaves out the community using the service despite rhetoric to the contrary.
The same can be said for the tertiary education sector. Business management systems drawn from the private corporate sector have been imported into New Zealand's universities and tertiary education institutions (TEIs). The accompanying terminology; words and phrases like *efficiency and effectiveness auditing, quality assurance, performance indicators* and *strategic planning* become an integral part of the institutions' own operational discourse (Jones and May, 1999).

One of the most interesting commentaries on NPM appears in Jones and May's 1999 book *Working in Human Service Organisations*. Discussing the specific area of social and welfare provision, Jones and May suggested that workers within this sector often found themselves working in conflict with management. Jones and May provide a number of reasons for this. They suggest that social and welfare workers will often interpret performance monitoring as an attempt to rationalise services. They also acknowledge that for those working in the welfare environment, NPM practices of devolution and privatisation represent a continual depletion of services in a world where needs far outweigh the available resources. Jones and May indicate that many social and welfare workers completely reject NPM because its efficiency and effectiveness criteria are simply not compatible with the philosophies of human service organisations.
Jones and May (1999: 390) then go on to say

...this outright rejection is understandable, but mistaken. The terms effectiveness and efficiency need not and should not carry inherent, pejorative overtones. On the contrary, efficiency and effectiveness should be accepted as core values for social and welfare workers. Consumers are entitled to services which are efficient and effective.

What makes this commentary so interesting is that it demonstrates the power that can reside within a discourse. Are consumers entitled to receive services that are efficient and effective in meeting their own individual and specific needs? Or are consumers entitled to services that are efficient and effective in terms of the criteria set out within an NPM evaluative framework? Clearly Jones and May are advocating the first notion, that clients who are in need of social and welfare services should receive those services in a way that gives maximum benefit to the client. But this is not necessarily how efficiency and effectiveness are determined within NPM discourse.

Efficiency and effectiveness may be good qualities to have as part of a service but within an NPM framework predetermined performance indicators measure such qualities. As discussed in Chapter 6, performance indicators are usually defined and determined within a particular and specific discourse or ideology. While it may be appropriate for a client to receive a service that is shown to be 'efficient and effective', the evaluative mechanisms used to define efficiency and effectiveness may not even account for the application of the service to the client.
One of the things that strengthens the relative hegemony of a discourse is the way that it makes use of language to generate meaning. In stating that "consumers are entitled to services which are efficient and effective", Jones and May (1999) reiterate the 'official' rhetoric and in doing so, appear to have been ensnared by the meta-narrative of neoliberal discourse. This can be a way that power might be exercised covertly by those imposing the discourse, thereby creating a realm of compliance in which even those who set out to examine the discourse (such as Jones and May) become subject to it.

Power

Michel Foucault (1926-1984) has been described as a philosopher, an historian and a post-modernist. He was arguably one of the most influential thinkers of the twentieth century (Danaher et al., 2000). Foucault examined the way people became subjected through various historical applications of knowledge and power, and how they then became an object of various discourses and practices (McHoul and Grace, 1998). In one of his most famous works Discipline and Punish: The Birth of the Prison (1977) Foucault described the various techniques of power, arguing that for the most part it was the "apparent neutrality and political invisibility" of these techniques that made them "so dangerous" (Gordon, 2000: xv). This is perhaps one of Foucault’s most significant revelations.
with regard to the notion of power, that it functions best when hidden from view. That is to say that when various technologies are applied to regulate and control individuals and societies under the premise that these technologies exist to serve the interests and well-being of those individuals and societies, the covert exercise of power has maximum effect (Danaher et al., 2000). Foucault was particularly interested in the way in which different forms of knowledge (and particularly the knowledge inherent within the ‘human’ or ‘social’ sciences) became intertwined with “the problems and practices of power, the social government and [the] management of individuals” (Gordon, 2000: xvi).

When Foucault (1982) referred to the operational activities of an institution he described how the first priority of the institution was to establish modes of practice that served to preserve the nature and character of the institution. In this sense the institution would seek to ensure its own perpetual existence by establishing reproductive modes of operation, including the ongoing reproduction of relationships of power within the institution. In the case of public-sector institutions part of this reproductive process resided in their capacity to impose a particular ‘truth’ on society and to administer, judge and regulate society in accordance with that ‘truth’ (Danaher et al., 2000).
Although Foucault (1982) acknowledged that the institution could exist as an apparatus from which power could be exercised through a discourse of truth, he claimed that the power did not reside within the institution itself (as an animate part of its structure). Foucault believed that the power exercised by the institution existed outside of it, inherent in the society that accepted and complied with the administration and regulation imbued within the 'truth' it espoused (ibid.).

In order to understand the relationships of power inherent within and outside of public-sector institutions, Foucault (1982) offered an analysis of power relationships as they existed as part of institutional practice. He began by examining the role that individual differences played within such relationships. Such things as occupational status, economic advantage and higher level linguistic competencies all played a part within the exchange of a relationship of power, becoming both a part of the relationship and its consequence (ibid.). The objectives of a relationship also played a role. In the case of an institution acting upon individuals or society, the institutional objectives (to make a profit, to impose statutory regulation or to operate the provision of a service) played a crucial role in revealing the site where power was to be exercised (ibid.).

How power was actually exercised by the institution was also important. Power could be exercised in a variety of different ways
including physical force, economic dispersion, regulation or systems of surveillance (Foucault, 1982). An institution existed as a physical entity recognised by the permanency of its structural architecture (in the case of a university, its lecture halls) and its unique characteristics (a provider of higher level tertiary qualifications). But it also existed as a body of relationships (relationships between the Vice-Chancellor, the university council, the academic staff, auxiliary staff, students, research groups and so on) (Danaher et al., 2000). The power of an institution was not determined by its architecture, measured within the strength of its stone walls and parapet, it resided within the complex relationships of the people housed within.

...power is not an institution, and not a structure; neither is it a certain strength we are endowed with; it is the name that one attributes to a complex strategical situation in a particular society.

(Foucault, 1978: 93)

In the first volume of *The History of Sexuality* Foucault (1978) provided an in-depth analysis of power. He deconstructed the notion that power existed as a noun or as an object that could be held or possessed and therefore, lost or taken. Rather, power existed as a verb, an action upon other actions. According to Foucault (ibid.) power was something that was exercised from multiple sites within and amid relationships that were transient and inequitable. Foucault also suggested that relationships of power did not exist outside of other types of relationships such as relationships of economy, knowledge, hierarchy and sexuality. They existed within these other relationships and therefore, became a
consequence of them too. Power relations existed within, and emerged out of the differences, divisions and inequalities created by the interplay inherent within more structural (economic, knowledge-based, hierarchical, sexual) relationships (ibid.). Because power did not have the subjective or animate qualities of a noun it existed in the form of a “matrix” inherent within and across every sector of society (ibid: 94). In this sense Foucault maintained that power was not distributed from top to bottom (by a monarch or a totalitarian state) but rather, from the bottom-up. It existed within the “manifold relationships of force that take shape and come into play in the machinery of production, in families, limited groups and institutions...” where its perpetuity ran through “the social body as a whole” (ibid: 94).

Crucial to understanding Foucault’s notion of power is an understanding that all power relations are intentional relations in that they are exercised with particular aims or objectives in mind (Foucault, 1978). In this sense, Foucault (1982) discussed the link between relations of power and relations of strategy. The term strategy can be defined in three ways. Firstly it can exist as a ‘means to an end’ in the form of a technique or methodology used in pursuit of a particular objective or outcome. Secondly, as often applied during the course of a game, a strategy is the psychological interplay between adversaries as each attempts to gain advantage over the other. Finally, it is the procedure applied by one over
another in a conflict situation that will deprive the latter of the skills, techniques and resources to maintain an equal footing within the conflict, allowing the former to claim ‘victory’ (ibid.). Foucault claimed that the three definitions all shared the common premise of acting upon an ‘opponent’ so as to neutralise their ability to resist any power exercised over them.

In this sense, strategy also begins to take on some of the qualities of a verb, as an action enacted upon other actions, rather than as a noun (as indicated in Tertiary Education Strategy). Therefore Foucault (1982) suggested that the various mechanisms applied within power relations that allowed for the advantage of one over another could be defined as strategies. Strategies allowed power to be exercised within a differentiated relationship in such a way that produced and/or reproduced the inequalities of that relationship without altering or confusing the relationship itself or the identities of the parties involved. In this regard, Foucault (ibid: 346-347) stated that

> A relationship of confrontation reaches its term, its final moment (and the victory of one of the two adversaries) when stable mechanisms replace the free play of antagonistic reactions. Through such mechanisms one can direct, in a fairly constant manner and with reasonable certainty, the conduct of others.

He then went on to suggest that

> ...every strategy of confrontation dreams of becoming a relationship of power and every relationship of power tends, both through its intrinsic course of development and when frontally encountering resistances, to become a winning strategy.

(Foucault, 1982: 347)
In *Discipline and Punish* Foucault (1977) examined the formation of the disciplinary society as a society created around a set of techniques designed to facilitate order within a diverse social milieu. Foucault’s thesis was that these techniques or ‘disciplines’ tried to establish specific strategies for the exercising of power over the human diversity inherent within society (ibid: 218). These strategies attempted to fulfill three criteria. Firstly, any attempt to exercise power had to be done at the least possible cost. But this cost was not solely an economic cost, measured in terms of its fiscal expense. This cost also alluded to the political expense where the desire was for power to be exercised with as much discretion and invisibility, and with as little resistance and disruption as possible (ibid.). Secondly, that in exercising power, this would be done in such a way as to generate the maximum amount of effect upon the widest possible sphere. Finally, that power was completely immersed within the relationships that defined the apparatus from which it was exercised (such as a provider of education). In achieving the three criteria, strategies would ensure the compliance, obedience and usefulness of that apparatus as a mechanism from which such power could be exercised (ibid.). In short, such strategies attempted to integrate the exercise of power into the economic functioning of the apparatus so that the apparatus would exercise its power in a covert way using such techniques as constant examination and perpetual assessment, continual classification and
registration, and uninterrupted modes of surveillance and control (ibid.). In *Discipline and Punish* Foucault (ibid.) described Jeremy Bentham's eighteenth century prison design as the embodiment of a disciplinary apparatus from which power could be exercised in an economically efficient, covert and perpetual way.

**The Panopticon**

*Bentham's architectural model*

Jeremy Bentham (1748-1832), often described as a legislative genius; devised, theorised and became obsessed with a unique piece of penal architecture that he called a **panopticon** (Semple, 1993). One of Bentham's great philosophical inquiries was to question how the most happiness could be achieved for the greatest number of people at any given time. So it is interesting that the majority of Bentham's life became intertwined with penal reform and with the quest to establish his idea of a panopticon prison (Danaher et al., 2000).

According to Bentham's architectural vision (he began drawing it in 1786), the panopticon consisted of a ring-shaped building that encircled an open area dominated by a central tower (Foucault, 1973). Upon the inner-side of the outer-ring there were cells that were exposed to the central tower. Each cell had a small window upon its exterior outer wall that served to illuminate the inner-space of the cell. The cell was isolated
from its neighbouring cells and from those above and below it. For each
cell, the only point of focus was the central tower.

The tower itself had wide windows, concealed behind secretive
shutters, that faced back towards the outer-ring and its cells (Foucault,
1977). This housed a supervisor who could observe every cell from a
single vantage point, creating a perpetual gaze that could monitor the
activities of every occupant of every cell in a situation where the cell’s
occupants were always exposed while the tower’s observer remained
forever invisible (Foucault, 1973). Bentham claimed his building
comparable in beauty and austerity to the likes of the Rotundae at
Ranelagh and Dublin and the circus at Bath (Semple, 1993). It was a
living entity, the tower its heart [and eyes] and its passages and cells its
nerves and arteries (ibid: 116). Yet the building was only part of the
design, a ‘means to an end’. For Bentham, the most significant part of the
construction resided not within any physical act or labour to do with its
structure, but within its administration and management and within the
power of the gaze.

The central tower was the panopticon’s focal point both
architecturally and administratively (Semple, 1993). It was in designing
this specific feature that Bentham spent most of his time. Here he laboured
to find new and more intriguing ways to enhance the surveillance capacity
of the tower while, at the same time, developing more inventive measures to ensure the invisibility of the observer (Bentham, 1843). As for the observer/manager, Bentham believed this was a role best undertaken by an individual bonded by contract (ibid.). Bentham supported contract management for three reasons: to avoid economic excess and oligarchism, and to allow for greater institutional accountability (Bentham, 1843; Semple 1993). He believed that by employing a manager under contract, the manager would then have a vested interest in the success of the production of the machine because the manager’s own earning capacity was determined by it. This would remove the risk that bureaucratic complacency might compromise the activities of the institution to create inefficiencies, and it also negated concerns over the expression of self-opportunism by individuals with interests contrary to those of the institution. 

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3 Bentham (1843: 131) offers a very interesting (in terms of its historic context) account of a fictional conversation that might be had between the public and a contractor that clearly demonstrates his faith in the contract process. The conversation is presented as such:

PUBLIC- “You are a Jew.”
CONTRACTOR- “I confess it.”
PUBLIC- “You require watching.”
CONTRACTOR- “Watch me.”
PUBLIC- “We must have all fair and above board. You must do nothing that we don’t see.”
CONTRACTOR- “You shall see everything: you shall have it in the newspapers.”
PUBLIC- “Contractors are thieves,- Sir, you must be examined.”
CONTRACTOR- “Examine me as often as is agreeable to you, gentlemen- any of you, or all of you. I’ll go before any court you please. Thieves stand upon the law, and refuse answering when it would show you what they are. I refuse nothing. I stand upon nothing, gentlemen, but my own honesty, and your favour...”
Bentham was encouraged by his design for the way that the clear individualising separation of the cells, along with the clever arrangement of the outer windows in terms of distributing light, negated the need for chains, heavy locks and greater security (Foucault, 1977). The panopticon represented an architectural marvel in that it required very few supervisory resources while offering continual and uninterrupted supervision (McHoul and Grace, 1998). It relied upon the illusion of a continuous act of surveillance and the docility created within the observed by the perpetuity of that surveillance (ibid.).\(^4\) Bentham saw his design extending beyond its intended application within the penal system, indicating a variety of potentialities in its application as the structure of institutions within health, the military, science and education (Bentham, 1843).

\[\text{Bentham's panopticon penitentiary is a project full of contradictions and ambiguity; a prison that is at the centre of philosophical disquisition, managed by a gaoler who has been depicted both as a ruthless capitalist entrepreneur and as a personification of the utilitarian state.} \]

\text{(Semple, 1993: 1)}

\[\text{Foucault's symbolic model} \]

According to Foucault's thesis the subjection of human beings allowed individuals to become the objects of inexorable modes of surveillance, examination and manipulation in which they, themselves,

\[^4\text{A number of commentators (McHoul and Grace, 1998) have mistakenly attributed this analysis of the effect of the perpetual panoptic gaze to Foucault's work in \textit{Discipline and Punish} (1977). It was, however, clearly a part of Bentham's own theoretical vision of how panopticon surveillance would occur.}\]
became agents of their own ongoing subjection (Semple, 1993). In this sense, Foucault (1977) maintained that Bentham’s panopticon was the superlative technological apparatus of disciplinary power.

Foucault believed that Bentham’s contribution to society was more significant than the contributions of Kant and Hegel (Foucault, 1973). It was Foucault’s belief that Bentham had defined and described the intricate power relations of the social world, and that his panopticon was the true architectural representation of that world (ibid.). For Foucault, the panopticon represented an example of disciplinary forces at work (Danaher et al., 2000). It placed the management of any group or society under a singular, authoritative gaze that was continuous in its effect even when it was discontinuous in its action (Foucault, 1973). “The perfect disciplinary apparatus would make it possible for a single gaze to see everything constantly” (Foucault, 1977: 173).

For Foucault, this idea of a continuous gaze as a covert act of surveillance was perhaps one of the most effective ways to exercise power. The gaze functioned in anonymity in such a way that allowed it to become a multiplicity of gazes. A single gaze, hidden but eternal, became thousands of monitoring eyes watching, assessing and classifying. The gaze existed everywhere and for Foucault, panoptic techniques of surveillance had become an integral part of the economic, social and
political environments of the western world during the latter part of the twentieth century (Danaher et al., 2000).

Foucault argued that panopticism was about the disindividualisation of power. Power did not reside within an individual, it existed within a "concerted distribution of bodies, surfaces, lights [and] gazes; in an arrangement whose internal mechanisms produce the relation in which individuals are caught up" (Foucault, 1977: 202). In this sense, it did not matter who exercised power through the enactment of the gaze because the invisibility of the individual during the exercise meant that it was the gaze that had effect, not the individual employing it (ibid.). Even Bentham (1843) had noted that if the manager was to be absent from the panopticon's inspection tower, anyone could stand in and fulfill the role (a spouse, servant, friend, colleague, neighbour and so on). Notwithstanding the fact that if for a time the inspection tower was empty, the perpetual gaze would still continue to operate.

Foucault explained that although the modern aspirations of neoliberalism had created juridical restrictions against the institutional exercise of power over individuals as a consequence of the individual's rights to freedom, personal sovereignty and choice, power was exercised beneath the juridical realm through widespread panopticism (Foucault, 1977). Foucault suggested that while there were always national and
global political and territorial struggles that shaped the order in which we lived, it was actually the subtle disciplines and minute strategies of everyday life that distributed and redistributed multiple relations of power across the social milieu to produce and reproduce the subjection of the individual (ibid.). In this sense Deleuze and Guattari (1987) claimed that the panopticon was no longer an architecture, technology or machine. They argued that Foucault’s analysis had redefined the panopticon as an abstraction in which only its function (the exercise of power via the perpetual gaze) and its consequence (the docility of the observed) remained (ibid.). Panopticism could be applied to any given situation without the need of a structural apparatus to administer it from. It could exist and thrive within the “quiet coercions and the monitoring gaze” associated with the disciplinary forces of the neo-liberal/NPM discourse that had permeated the social body of the majority of western cultures at the dawn of the twenty first century (Danaher et al., 2000: 62).

**Bentham and New Public Managerialism**

At the dawn of the twenty first century a number of so-called ‘Third Way’ governments, including New Zealand’s Labour/Alliance Coalition, had established themselves within western democracies, using a superficial centre-left platform to rationalise the way they continued to manifest their will through a ‘globalising’ neo-liberal discourse (Kelsey, 2002a). It is an illusionary form of government that quietly depoliticises
the role of the individual by establishing 'participatory' partnerships between 'civil society' and government (ibid.). It then goes on to establish more complex NPM monitoring systems that continually account for the activities of the individual, claiming that this is beneficial to 'civil society' who, as a partner with government, has become a stakeholder in the political process.

This new mode of surveillance is best observed within the institutions of society and, in particular, within the public-sector institutions. It exists in the way that language has changed to alter the images and values of institutional activity. It resides within the new corporate imaging inherent within the institutions. It is recognised within the manner in which rewards and sanctions are imposed, creating institutional heroes out of those who embrace the new culture and penalising those who do not. Finally, it is apparent within the ongoing and perpetual training that is used not only to develop and enhance skills, but also to indoctrinate workers with the new ideology of institutional practice (Farnham and Horton, 1993).

In designing his prison, Bentham (1843) gave paramount consideration to the economic functioning of the apparatus, indicating that it was crucial that the economic efficiency of the institution during the
application of its intended service was fundamental to its design. Bentham’s rule of economy stated that

_Saving the regard due to life, health, bodily ease, proper instruction, and future provision, economy ought, in every point of management, to be the prevalent consideration. No public expense ought to be incurred, or profit or saving rejected for the sake either of punishment or of indulgence._

(Bentham, 1843: 123)

Almost three hundred years later New Zealand’s Labour/Alliance Coalition Government demonstrated this prioratisation of economic considerations by maintaining a monetary policy that targeted areas of inflation, trade and investment, placing these ahead of all other domestic interests (Kelsey, 2002a). In describing the ‘Third Way’ approach adopted by the Coalition, Steve Maharey (cited in Kelsey, 2002a) explained the important role that government was required to play in regulating (and deregulating) systems that supported economic and entrepreneurial activities that benefited New Zealand’s public interests.

For Bentham (1843), the rule of economy was deemed so important that he believed that the very existence of the system depended upon it. Foucault (1977) claimed that Bentham’s panopticon allowed power to be exercised in a more economic and efficient manner. More importantly, it allowed power to be exercised for “the immediate salvation of a threatened society” (ibid: 208). In much the same way that the contemporary ‘Third Way’ sought to develop the human capability of the nation (Maharey, 2001) and create a stronger civil society (Kelsey,
Foucault (1977: 208) suggested that Bentham's panopticon, applied more broadly and metaphorically, was designed to "strengthen the social forces- to increase production, to develop the economy, spread education [and] raise the level of public morality...”.

Within the public-sector institutional reforms of both the Labour/Alliance Coalition (of 1999) and the earlier neo-liberal governments of the 1990s, there was a paramount concern over the lack of any competitive ethos within the culture of New Zealand's public-sector institutions. This was described as being a direct consequence of decades of Keynesian bureaucratic inertia. As discussed in Chapter 2, there was a genuine concern inherent within neo-liberal discourse that individuals within public-sector institutions would always seek to maximise their own private interests, doing so to the detriment of the public interests of the institution in which they were employed. As stated in Chapter 3, neo-liberal discourse maintained that individuals were always self-interested and their general behaviour focused towards opportunism.

Although the introduction of a competitive ethos offered some resolution to this problem by providing for this 'innate' individualism through new performance based incentive schemes, successive governments (including the Labour/Alliance Coalition) continued to pursue greater levels of accountability by imposing new systems of
monitoring and surveillance. In *Discipline and Punish* Foucault (1977) examined the very same techniques that would ultimately be advanced by New Zealand’s neo-liberal and ‘Third Way’ governments. These techniques included the use of timetables that could continuously regulate an individual’s activity, surveillance measures designed to monitor an individual’s ongoing performance, perpetual examinations (reporting and filing) that created institutional compliance and a ‘normalising judgement’ that served to instill an appropriate workplace ethic (Best and Kellner, 1991).

Interestingly, Bentham (1843) expressed the very same concerns over individual opportunism when he discussed the institutional management of the panopticon. Having argued the importance of ‘the rule of economy’ within his institutional vision, Bentham went on to point out that when dealing with economic matters, the honesty and integrity of the individual controlling the institution’s resources was crucial to its success. As stated earlier, Bentham advocated a system whereby the administration of his panopticon institution could be achieved by contract-management. “It has the joint support of the principles of reward and punishment...” (Bentham, 1843: 127). Bentham argued the very NPM kind of argument that a manager bound by contract could benefit by performing well and generating a profit for the institution, part of which would be payable to the manager in the form of a bonus or incentive. However, if the manager
failed to perform, generating a loss for the institution, that loss could also
be imposed upon the manager in the form of a penalty or disincentive
(ibid.). The contractual model of institutional management that has
permeated the neo-liberal/NPM discourse in New Zealand since the 1987
Treasury Brief bears a striking resemblance to Bentham’s eighteenth
century panoptic model. They were both designed to nurture economic
opportunism by establishing a relationship between the contracted
manager/agent and the principal/government, and by ensuring that the
manager/agent’s loyalty remained consistent to the interests of the
principal.

As discussed in Chapter 6, a number of OECD reports in the mid
to late 1980s, along with the NZBR’s 1988 Reforming Tertiary Education
in New Zealand and the Treasury’s own 1987 Brief Government
Management, helped to define the NPM discourse that would set the scene
for a plethora of proposed tertiary education reforms throughout the 1990s
and into the new millennium. Crucial to this new discourse was the need
to monitor institutional performance and accountability, ensuring that
tertiary education providers were continually open to inspection in
accordance with their stakeholder obligations. According to Foucault
(1977) every panopticon institution could be subjected to continual
inspection. But this inspection role was not confined to an appointed
authority whose singular gaze was restricted, it applied to the entire wider
society who had a right to access information about the institution’s general activities and overall performance. Foucault argued that in exposing the institution to the monitoring gaze of all its ‘stakeholders’, this reduced the possibility that institutional power could succumb to the manipulation of tyrannical forces (ibid.).\textsuperscript{5}

At the outset of the new millennium the Labour/Alliance Coalition expressed a desire to open New Zealand’s tertiary education sector to the perpetual gaze of public scrutiny by using its ‘Third Way’ principles of ‘building partnerships’ and ‘strengthening communities’. Within its first report \textit{Shaping a Shared Vision} (2000) the Tertiary Education Advisory Commission (TEAC) applied the same kind of ‘Third Way’ rhetoric within its own recommendations to government, confirming that there needed to be a clear strategic direction within New Zealand’s tertiary education system. TEAC indicated that this new direction needed to facilitate active and collaborative partnerships with the tertiary education sector and its various stakeholders. These included government, the research community, business and industry, Maori, and the wider

\textsuperscript{5} This would support Bushnell and Scott’s (1988) advocacy for the establishment of a chief executive style of management system within the universities and other TEIs. Under this model, as discussed in Chapter 6, a ‘board of directors’ managed the institution via a publicly democratic system that removed the need to include academic staff who already had a vested interest in the activities of the institution. Such a system would prevent the natural ‘tyranny’ of the academics who might otherwise seek to manipulate the workings of their institution for their own personal gain. Of course, this presupposes that all academics are tyrants who have similar vested interests.
community (TEAC, 2000: 7). TEAC (2000: 23) claimed that a new Tertiary Education Strategy would "...need to be responsive to the needs of society and the economy and those of tertiary education providers themselves...". TEAC went on to state that "the tertiary education system cannot stand apart from the society and economy which it seeks to serve" (ibid: 24). The conclusions painted a picture of a tertiary education system imbued with panopticism. Such a system would operate beneath a perpetual matrix of gazes coming from above and below and from within and without. This idea of a ‘matrix of gazes’ is developed in detail in the next chapter.

Panopticism within the New Zealand tertiary education sector

In 1998 the Tertiary White Paper recommended the establishment of a panopticon tower that could exist to regulate and monitor the activities of New Zealand’s tertiary education sector. Calling it the Quality Assurance Authority of New Zealand (QAANZ), the Tertiary White Paper described it as a singular regulatory authority that could continually inspect the sector on behalf of the Minister of Education.6 The Tertiary White Paper also recommended the establishment of a set of strategically determined performance indicators that could be used to constantly

6 Although the Quality Assurance Authority was never formally established, a pre-establishment working party was formed. However, it became apparent that the government would not have the time available to pass the necessary legislation to create the Authority before the 1999 general election. Nevertheless, clearly the ideas related to the regulatory nature of the proposed Authority would maintain enough momentum to allow them to be revisited in the form of TEAC’s Tertiary Education Commission.
examine, assess and evaluate the ongoing efficiency and effectiveness of the tertiary education sector and its institutions (Ministry of Education, 1998). As part of this ongoing surveillance, the *Tertiary White Paper* recommended that the sector’s institutions (the universities and other TEIs) be required to report annually to the QAANZ, outlining their strategic objectives and performance targets for each ensuing year; making the institutions active participants within their own surveillance.

In the second TEAC report *Shaping the System* (2001) this proposed regulatory authority was given a new name, the Tertiary Education Commission (TEC). According to TEAC (ibid.) the new TEC would exist to strengthen tertiary education by providing a more integrated and strategic approach to the governance and leadership of the tertiary education sector. The Tertiary Education Commission’s role in monitoring the activities and performance of the universities and TEIs would ensure that the various tertiary sector institutions reduced costly and inefficient duplication, provided greater specialisation and demonstrated a more active commitment in meeting national and local goals and priorities.

By the release of TEAC’s third report *Shaping the Strategy* (2001a) the *Tertiary White Paper’s* various recommendations had been repeated so often within the reform narrative that they had almost become a ‘natural’ part of tertiary education policy discourse. As a general
overview, *Shaping the Strategy* recommended that the various universities and other TEIs be tested and measured for their capacity to provide their service in accordance with government expectations and in an economically efficient way. As indicated in Chapter 4, the timing of the release of *Shaping the Strategy* had allowed the report to drift into quiet obscurity amid a period of ceaseless activity targeted towards tertiary education sector reform. As a consequence, the report was able to espouse NPM goals and objectives with minimal resistance. In particular, *Shaping the Strategy* recommended that the various institutions within New Zealand’s tertiary education sector be placed upon a performance scheme whereby they were rewarded for providing proven quality learning, and sanctioned when they failed to deliver a specified quality of service (TEAC, 2001a). As Bentham (1843: 125) had stated, the best way to administer the rule of economy within an institution was by “*imposing some coercion which shall produce profit, [and by] subtracting some enjoyment which would require expense*”. In the case of TEAC’s (2001a) recommendations, the power to determine institutional performance and then to administer appropriate incentives/sanctions would reside within the monitoring role of the proposed TEC. In this regard, the TEC would administer a ‘desirability test’ that would determine each individual institution’s capacity to contribute to the tertiary education system.
Another significant recommendation made by TEAC in *Shaping the Strategy* was the need to develop a distinctive *Tertiary Education Strategy* that would assist in opening up the sector to a wider number of potential users (TEAC, 2001a). It was clearly apparent that TEAC was focused upon the issue of sector participation with a desire to enhance participatory opportunities for as many people as possible as part of developing the ‘knowledge society’. This included creating new opportunities for access to those groups and individuals previously denied entry into higher level education because of various cultural, social or economic barriers. In fact, as stated in Chapter 4, TEAC’s recommendations indicated an expectation that every single New Zealander would participate in some form of tertiary level education at some stage in the foreseeable future.

The Labour/Alliance Coalition’s May 2001 Budget introduced a variety of new panoptic ingredients into New Zealand’s tertiary education sector, many of which had been taken directly out of the earlier TEAC (2001) report *Shaping the System*. The May Budget indicated the Labour/Alliance Coalition’s interest in total inclusive participation by funding (at $1.75 million over four years) a series of Tertiary Education Learning and Assessment Centres (TELACs) (Ministry of Education, 2001). The new TELACs would aid in providing students with advice and support that would link students to a variety of ongoing educational
opportunities within the tertiary education sector (ibid.). The TELACs would also provide career counselling to those least likely to enter into higher level education with an emphasis given to linking such individuals to vocational training opportunities.

The May Budget also signaled a further strengthening of tertiary sector governance (Ministry of Education, 2001). This would be achieved through "tightening the process for making ministerial appointments, making clear expectations of [University] Council members, and by introducing legislative changes to increase accountability" (ibid: 4). In strengthening governance over the sector and its institutions, the Labour/Alliance Coalition believed that this would create significant economic benefits for the government. More importantly, as Bentham (1843: 127) had noted, stronger governance over the institutional apparatus, along with an institutional management system based upon incentive and accountability, avoided the two "grand enemies" of the 'rule of economy': bureaucratic negligence and individual economic opportunism.

In its final report Shaping the Funding Framework TEAC (2001b) recommended that the funding of both research and tuition within the tertiary education sector be separated. The rationale behind this funding separation, very characteristic of NPM discourse, was that it generated
greater cost efficiencies by creating a culture of performance within both areas. In terms of research, TEAC (ibid.) proposed a competitive performance-based model that ensured relevancy and validity in terms of achieving national goals and objectives. These would be determined presumably by government imposed performance criteria with a likely preference given to economic benefits and outcomes (an assumption based upon ongoing policy doctrine). In the October (2002) edition of the *AUS Bulletin* President of the Association of University Staff (AUS) Grant Duncan demonstrated how the new reforms were able to foster a realm of compliance with minimal resistance. Duncan (2002a) offered strong criticism of the new Performance-Based Research Fund (PBRF) approach for the way it measured the ‘performance’ of research and rewarded past research (when its purpose was to stimulate future research). He was also critical of the way it enabled the Ministry of Education to rate the various TEIs and their individual departments in terms of their research performance. Clearly from a purely academic position, Duncan (ibid.) was opposed to the new PBRF. Nevertheless, in voicing his concerns Duncan (ibid: 2) recommended that the AUS membership accept and comply with the new PBRF with minimal resistance by stating that

*Government is committed to performance-based funding, and probably the best we can do is help to design and execute a system that gives the best basis for comparing performance across research units and ultimately gets the best funding results for research-active universities.*

In terms of tuition, TEAC (2001b) recommended replacing the traditional base grants given to the universities and TEIs with a new
Strategic Development Fund (SDF). The new SDF would assist in the management of tertiary education tuition by empowering the Minister of Education and the proposed TEC to reward institutions who demonstrated a greater commitment to the government’s Tertiary Education Strategy.

Perhaps the most notable example of panopticism within contemporary New Zealand tertiary education policy reform was that presented by the Tertiary Education Reform Bill of 2001. As discussed in Chapter 4, the Bill combined ‘Third Way’ ideals of partnership and participation with NPM principles of monitoring and accountability.

The Tertiary Education Reform Bill (2001) emphasised the need to employ a greater strategic direction within New Zealand’s tertiary education sector, indicating that this could be achieved by establishing the TEAC recommended Tertiary Education Commission. The new TEC would become, by its very character, the central panopticon tower of the tertiary education vision espoused as far back as the 1998 Tertiary White Paper. Further, although the Bill indicated that the TEC would be empowered to observe, monitor and regulate the activities of the sector and all who participated within it, the ‘tower’ itself would be open to perpetual inspection under the total governance of the Minister of Education.
Along with the establishment of the TEC, the Tertiary Education Reform Bill (2001) demanded institutional accountability through a set of public documents known as Charters and Profiles. Charters would clearly describe the institution’s contribution to the government determined *Tertiary Education Strategy* while Profiles would offer a detailed account of the institution’s proposed strategic direction, activities, policies and performance measures for the next three year period (ibid.). All universities and TEIs would be required to have publicly accessible Charters and Profiles whether they received public funding or not. As stated in Chapter 4, this compliance expectation of all providers signaled a greater level of state directed surveillance and intervention. It also made the universities and TEIs, due to the requirement imposed upon them to produce the Charters and Profiles, active participants in their own perpetual surveillance. The Tertiary Education Reform Bill (2001) had set the scene for a tertiary education system saturated by panopticism.

* * * *
CHAPTER 8

"Quiet coercions and the monitoring gaze":

Panopticism and the Individual

*We accept the reality of the world with which we are presented, it is as simple as that.*

‘Christof’ (The Truman Show, 1998)

Within his own personal notes Jeremy Bentham had a vision of a ‘Panopticon Town’. In this vision he saw the panopticon not as a form of government but rather, as an instrument of governance (Semple, 1993). Peters and Roberts (1999) suggested that New Zealand’s contemporary tertiary education sector existed within a realm of westernised capitalism where New Public Managerial (NPM) modes of inspection, monitoring and review governed the activities and behaviour of individuals. They argued that "*societies of control*" [panopticon societies] allowed people to be constantly watched beneath the microscope of new and highly sophisticated technologies, scrutinised in such a subtle way so as to perpetuate an illusion of individual freedom beneath a ceaseless gaze (ibid: 89). This, according to Foucault, was the legacy of western capitalism: the creation of the individual subject within a society of surveillance (Star, 1999).

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This chapter follows from the previous by examining panoptic modes of surveillance as they exist within contemporary New Zealand and particularly within New Zealand's tertiary education sector. Whereas the previous chapter focused primarily upon institutional practice, this chapter examines the role of the individual within those institutions. It will begin by exploring the concept of the individual subject. It will then examine the creation and application of new modes of monitoring and surveillance that are currently being imposed upon the lives of individuals. The chapter will also look at the recent path of tertiary education reform as espoused by the 1999 Labour/Alliance Coalition Government. Finally the chapter will discuss how individuals become a part of a panoptic process by acting in such a way so as to monitor their own activities and behaviours in accordance with the expectations imposed upon them. In other words, it will look at how they come to accept the confines of the world in which they live.

As stated in the previous chapter, the advantage and success of panoptic modes of surveillance was in the way that the individual (inmate) was constantly exposed to the possibility that they were being watched (Foucault, 1977). The gaze did not need to be continuous because the individual (inmate) could never be sure when the gaze was upon them. For Bentham (1843) this was an important point in understanding societies of surveillance and institutional practice. Bentham believed that the state as
an entity, and society as a whole, was no greater than the individuals who served or resided within it (Semple, 1993). Where Bentham had argued that the contract was the most efficient form of management for governing institutional activities and practices, the panopticon offered widespread coercive superintendence that governed and controlled every single individual within society (Foucault, 1977).

Within New Zealand’s contemporary context there continues to be a commitment to individualism through western capitalist applications of neo-liberal and Third Way discourses and through an enduring belief in the meta-narrative of globalisation. This commitment to individualism has been informed by a neo-liberal ideology in which all individuals are conceptualised as motivated by self-interest. This belief supports the Public Choice premise that people working within public institutions like New Zealand’s universities will always seek to maximise opportunities for themselves. In this case, in accordance with the neo-liberal/Public Choice view, they cannot be trusted (Ballard, 2002; Codd, 1999). According to this line of reasoning, people within public institutions (i.e. academics) not only need incentives to ensure that they perform in the best interests of their institution and society, they also need to be constantly watched and monitored.
Individuals under scrutiny

According to Danaher et al. (2000) individuals living within contemporary western societies like New Zealand tend to view themselves in a very individualistic way. In doing this, they assume ‘control’ over their own lives by defining their world in accordance with the neo-liberal systems of knowledge and thought that dominate western societies. It is this westernised sense of the individual that allows those living within to distinguish themselves apart from, and usually above, those who live in so-called ‘third world’ societies (ibid.). The assumptions underpinning this sense of individual superiority are based upon imperialist constructions of history that have contributed to the conceptualisation of Third World nations by defining them via the knowledge-view of First World Western nations (Young, 1990). This construction is often so powerful (as a meta-narrative) that it becomes the way that Third World and subaltern peoples view their own subjection. This occurred through a process of symbolic or ‘epistemic’ violence whereby history was defined through acts of language espoused by the colonising forces to the detriment of the colonised (subaltern). Foucault (1977) suggested that this subjection occurred as a consequence of the disciplinary forces inherent within his concept of power-knowledge. The basis for such assumptions is hardly new. Codd (1999) points to classic liberal and economic theory, dating back to the seventeenth and eighteenth century (through such
notables as Hobbes, Locke and Bentham), as the origins of the subjection of the individual subject.

The subjection of the essentialist self-knowing individual has become so taken for granted within contemporary western culture that it is hardly questioned (Danaher et al., 2000). Those who do dare to question are simply silenced by the dominant meta-narrative of neo-liberal discourse (Fitzsimons et al., 1999). Nevertheless Foucault chose to reject the 'fixed and unchanging' subjection of the essentialist self-knowing individual by arguing that it was in the way people actually defined their experiences that played the significant role in determining how they viewed the world (Danaher et al., 2000).

Foucault believed that language was a major factor that helped people define their experiences and create meaning in their world (McHoul and Grace, 1998). He argued that a discourse functioned like a window that allowed people to see and make sense of things (Danaher et al., 2000). For example, the English language, by its own historic development, is a patriarchal language and a language of oppression. It individualises human subjectivity within its conversational exchange, labels objects through ownership and belongingness, and is embedded with discussions of status, opportunism and accumulation. It is, by its own nature, the perfect language of capitalism (Ashcroft, 2002a). Given that
English was the spoken language of the early liberal thinkers (Hobbes, Locke and Bentham), it is hardly surprising that liberal discourse (the language of liberal theory) is also committed to individualism (ibid.).

Bentham (1843) noted that once individuals were exposed to the public eye of scrutiny they had to attend to their activities in a very open and honest way. While neo-liberal discourse conceptualised people as unique individuals with personal freedoms and sovereign autonomy, NPM modes of institutional practice isolated those individuals from their communities and peers by using each person’s own individuality against them through various acts of coercion and contractual compliance (Foucault, 1982). The NPM process would measure their individual capacity in terms of the unique and ‘special’ things that defined them as an individual. It would then assess their capacity to contribute and participate within wider society by defining the human capability value of those unique and ‘special’ characteristics.

Stephen Ball (1999: 27) argued that within a tertiary education institutional environment driven by NPM modes of inspection, monitoring and review, teachers and academics were required to perceive themselves as individuals who could “add value to themselves, improve their productivity [and] live an existence of calculation”. Foucault (1973) argued that through panopticism individuals were supervised in
accordance to what they did rather than who (or what) they were. This served to individualise the author of the act without considering the external consequences of the act itself. Thus, individuals could be offered contractual relationships that seemed to provide them with opportunities to maximise their individual self-interests by alluding to work-place flexibility and greater personal freedoms, but that actually served to place greater restrictions and controls over what they could actually do (Codd, 1999). For example, in accordance with neo-liberal discourse, because people were driven by individualised opportunism it made perfect sense to identify people as individual subjects. NPM discourse maintained that because people could be identified as individual human subjects they could therefore be watched, monitored and scrutinised in more efficient and effective ways.

Creating a perpetual gaze

In *Discipline and Punish* Foucault (1977) described the concept of discipline in two ways. Firstly, discipline was used to describe acts of punishment or coercion and secondly, it was attributed to the various skills and knowledge that pertained to a particular field (i.e. anthropology or geography as an academic discipline). In *Discipline and Punish* Foucault combined both definitions to create the concept of power-knowledge (Danaher et al., 2000). This concept referred to how people became subjects by drawing upon particular bodies of knowledge such as religion, biology, psychoanalytic theory and history in order to make sense of
themselves (ibid.). People could acquire an understanding and make sense of their world through various acts of language or discourse. However at the same time disciplinary forces could be imposed upon individuals though a series of "quiet coercions" that could reshape and control how people thought and behaved, altering the way they viewed and made sense of the world (ibid: 62). These disciplinary forces could change the way that individuals viewed their world by manipulating individuals into accepting dominant meta-narratives like neo-liberalism over their own counter-narratives, forcing individuals to accept and therefore become subjected by the dominant discourse.

Panopticism allowed the coercive application of disciplinary power to be universal and continuous. Universal in the sense that it placed everyone beneath a supervisory gaze (even those entrusted with the responsibility of watching others), and continuous in the sense that the discrete act of supervision created an illusion of perpetual surveillance even when the supervision itself was temporarily inactive (Foucault, 1977).

Danaher et al. (2000) argued that within contemporary western societies exposed to NPM modes of inspection, monitoring and review, people became more individuated when they were positioned lower down on the social or institutional hierarchy. He suggested that
Foucault (1973) argued that institutional panopticism was driven by a new discourse of supervision and examination that coerced individuals to behave in accordance with certain acceptable ‘norms’. It did not matter where an individual resided upon the social or institutional hierarchy; they were still visible to the perpetual gaze. While Danaher et al. (2000) might have argued that the young, the employed and the poor could be individuated, so too could the unique and elite. In the case of academics within a tertiary education institution (TEI), they could become more individuated as a consequence of their seniority, their specialised knowledge base and/or their more precise and characteristically unique research. As stated earlier, even those entrusted with the responsibility of watching others could be individuated and watched.

In his vision of the ‘Panopticon Town’ Bentham discussed this last point by examining the fragility of democracy (Semple, 1993). According to Bentham (ibid.) democracy did not ensure good representational government because the elected leaders (those entrusted with watching others) would always succumb to the temptations of power unless they, too, were closely watched and monitored. Bentham believed that democratically elected leaders would always be inclined to use their own
coercive forms of control to oppress a society that would always want to have faith in the integrity of its leadership and the democratic process (Bentham, 1843). The apparent beauty of panoptic modes of surveillance was that they could protect institutional democracy by attempting to "procure for a small number, or even for a single individual, the instantaneous view of a great multitude" (Foucault, 1977: 216). While this seems to contradict the notion of democracy it needs to be understood that while panopticism alludes to a hierarchy where a manager resides within an inspection tower, it is the panopticon apparatus itself that actually produces 'power' via its complex matrix of relationships. In this sense the power inherent within a panopticon institution exists within the continuous and fluid relationships of all the individuals who reside within it (ibid.). While individuals are exposed to ongoing inspections, monitoring and reviews they also participate in the act of the gaze by examining the actions of others and themselves. Therefore any illusion of a stratified hierarchy inherent within the institution succumbs to the encompassing and totally inclusive superintendence of panopticism.  

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2 According to Semple (1993) Bentham envisaged the panopticon operating at the centre of large scale trading and exploration ventures. He imagined ships traveling the known world collecting various materials such as seeds and plants and "hardy timber trees, the raw material for the woodworking machinery of the panopticon" (ibid: 286). Bentham (1843) also believed that the panopticon could exist solely to serve itself. In Chapter 7 I discussed how Bentham sometimes imagined his design having animate qualities as an autonomous living entity.
Within contemporary New Zealand society, and particularly within New Zealand’s public institutions, an emphasis is given to the creation and perpetuation of a culture of performance (Ball, 1999; Ballard, 2002; Codd, 1999). Within this culture individuals are constantly watched and evaluated for the quality of their ‘output’. They are placed under constant supervision where their activities can be controlled by way of incentive, compensation, corrective redirection (or punishment) or subtle coercion (Foucault, 1973). According to Foucault (ibid.) this equated to the three main operational characteristics of the panopticon: supervision, control and correction.\(^3\) Bentham (1843: 39) had designed the panopticon to act as “a new mode of obtaining power of mind over mind...”.

Visible: the inmate will constantly have before his eyes the tall outline of the central tower from which he is spied upon. Unverifiable: the inmate must never know whether he is being looked at at any one moment; but he must be sure that he may always be so. (Foucault, 1977: 201)

This culture of performance and the regulatory modes of superintendence imposed upon the institutional activities of individuals like New Zealand’s academics can lead to an environment of paranoia. Individuals begin to feel that they are perpetually being judged, compared and evaluated against a constantly shifting set of criteria which, in itself, is often determined by hidden bureaucrats with secretive agendas (Ball, 1999; Hazeldine, 1998). This constant manipulation of the individual’s

\(^3\) It is interesting to note the emblem Bentham (1843:124) chose to represent his panopticon design. This was an ever-open eye surrounded by the words “Mercy, Justice, Vigilance”.


environment and performance criteria is a very subtle but extremely powerful way to exercise control over the individual (Semple, 1993). Even Bentham (1843) had understood this point, advancing the idea that if each individual’s own specific interests, desires, needs and wants were known and registered then they, too, could be used to assist in the manipulation of their thoughts and activities. This subtle but sinister manipulation, enacted beneath the ceaseless and ever-present gaze of the panopticon, immediately conjures images of George Orwell’s ‘Big Brother’ or J.R.R. Tolkien’s ‘Dark Lord Sauron’ (Semple, 1993). Definitely within the Tolkien Trilogy images of panopticism appear everywhere, portrayed with graphic precision through the representation of the One Ring and Isengard in Peter Jackson’s (2001) movie epic The Fellowship of the Ring. In the case of these fictional images (Big Brother, Sauron, the One Ring, Isengard), none exist as a singular character (the villainous anti-hero or proverbial ‘bad guy’). They exist as symbolic representations of a coercive and manipulative power administered by a singular and ceaseless gaze.

According to Ball (1999), within this new institutional environment, regulated by NPM modes of examination, the exercise of power no longer occurs within the structural realms of time and space (i.e. within the factories, offices or academic divisions). Rather, it is exercised through the construction and administration of intricate data-bases, various institutional appraisal processes, ongoing reports, applications for
promotion or research funding, audited inspections and peer reviews (ibid: 4). The structural apparatus that enables the surveillance of individuals is not the be all and end all of NPM modes of control. It is the continuity of acting, watching, performing, responding and the way that individuals participate within that structure that is the true art of panopticism.

As stated in Chapter 5, academics are constantly required to demonstrate the efficiency and effectiveness of their teaching activities in a variety of different ways. But academics are not solely evaluated from above. Students also provide evaluations of their particular teacher's lecturing style, course content, programme co-ordination and tutoring ability (Ball, 1999). Academics are also evaluated by the success or failure of their own applications for promotions or by the general market success (in terms of consumer demand and participation) of the courses they teach (ibid.). In this sense, the power of the regulatory gaze imposed upon academics does not come from any singular source but rather, is cast by a complex matrix of institutional and social relations in which the academic is simply a participant.

Bentham's panopticon has often been criticised as a "fiendishly efficient instrument of totalitarian control" (Semple, 1993: 316). Similar criticisms have been made in recent years in respect of NPM (Farnham and Horton, 1993; Olssen, 2000; Peters and Roberts, 1999). Both allow for
the constant and uninterrupted supervision of individuals. Both serve to enable the actions and behaviour of the individual to be consistently exposed to the critical eye of public scrutiny. Both allow for the changing of the guard (the inspector within the tower or the bureaucrat administering the data-base) without interfering with the flow of the supervision or of its effect upon the individual. Both include the inspector as part of the device so that they, too, become an individual exposed.

The panopticism within NPM modes of inspection, monitoring and review serves to create the illusion of an individual empowered with specified rights and freedoms within a world where institutions are accountable for the way they treat and respond to individuals. But while the individual assumes certain rights and freedoms within systems held accountable for what they do to people, the perpetual matrix of gazes imposed on the individual serve to depoliticise and disempower the individual by making them just as accountable to the institution and, more importantly, to the NPM system itself. In this sense it could be argued that at times NPM systems of monitoring and review, like Bentham’s panopticon, seem to take on certain animate qualities as a physical, ‘living’ entity.
The surveillance of tertiary education in the 21st Century

In a pre-election memorandum to the membership of the Association of University Staff (AUS), President Grant Duncan (2002) acknowledged the Labour/Alliance Coalition's emphasis towards a 'knowledge society', pointing out that no-one disputed the importance of generating knowledge through a high standard of tertiary level education and research. Duncan went so far as to state that "successful societies are well-educated societies" (ibid: 1). The general point that was being made by Duncan (in what might well be described as an AUS endorsement of a Labour-led government after the July 2002 general election) was that everyone agreed with the Coalition's idea. It was how such a society could be achieved that generated the debate.

The Tertiary Education Advisory Commission (TEAC), within its third report *Shaping the Strategy* (2002a) stated that it was clearly committed to supporting the development of a knowledge society. However TEAC defined this so-called 'knowledge society' in a very broad way that encompassed all forms of learning that could be undertaken at the post-compulsory level. Within *Shaping the Strategy* TEAC identified a number of characteristics it deemed essential as part of developing the knowledge society. These included

- creativity, critical and reflective thinking, problem solving,
- technological competence, information retrieval, interpersonal and team skills, change management and an ability and desire to continue lifelong learning.

(TEAC, 2001a: 26)
They also included

_Multidisciplinary and transdisciplinary thinking, learning, and research, that looks beyond the traditional classifications and boundaries of knowledge for the intersections that can produce new areas of knowledge, services, and products, and which address national priorities._

(ibid.)

TEAC advocated that in order for New Zealand to be able to develop itself as a knowledge society there needed to be a commitment in the form of ongoing partnerships between educators, the business community, researchers, students and government (ibid.).

The idea of a knowledge society, that is, that raising the educational standard of the population contributes to improved productivity and better economic outcomes for everyone, alludes to a public good notion of education. Nevertheless, as stated in Chapter 5, successive governments (including the Labour/Alliance Coalition) set out to reduce the level of public funding provided, in real terms, to the tertiary education sector. This had the desired neo-liberal effect of forcing universities and TEIs to pursue funding alternatives from the private sector (Gould, 1999). This ‘forced’ entrepreneurialism by the universities and TEIs was supported by TEAC. In _Shaping the Strategy_ TEAC (2001a) referred to the notion of “workforce nudging”, a process whereby education providers could enter into joint ventures with local industry to fulfill the immediate and specific human capability needs of the local
economy. This alluded to the idea of vocational training where education was perceived only to have value in its ability to be applied. Within this context Duncan (2002) argued that those subjects taught within the Arts and Humanities could be gradually eroded down to their so-called generic skills; described by Duncan (ibid: 2) as "being a good citizen and appreciating high culture".  

Individuals working within the various universities and TEIs (academics) could be monitored in terms of their performance in respect of meeting these vocational demands and perceived human capability needs. In New Zealand’s University of Otago, as one example, a system of evaluation exists to monitor staff performance against a variety of factors. This is the Academic Performance Appraisal Process, based upon the University of Otago’s Higher Education Development Centre (HEDC) February 2002 document Academic Staff Promotions. One such performance indicator specified by the Otago evaluation process related to the individual’s ability to provide professional service and advice to the

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4 There is support within the market for a vocationalised approach to higher education. As discussed in chapter 5, a burgeoning rise in the collective student debt accompanied by the casualisation of the workforce and the apparent decline in graduate income earning potential has created a demand for qualifications that provide very clear employment credentials (Peters and Roberts, 1999).

5 The original draft of the HEDC document was written in September 1998 placing it between the 1997 Tertiary Green Paper and the 1998 Tertiary White Paper and seemingly written in the context of that particular time. However, it needs to be understood that the HEDC is an academic department and has no power to implement policy. Although the Academic Performance Appraisal Process was based upon the HEDC document, it was the University of Otago’s Senate that initiated and then implemented the related policy.
wider community and, in particular, to their understanding of the wider community’s human capability needs. This was to ensure that the individual could contribute towards supporting the community’s ongoing social and economic development (HEDC, 2002).

TEAC (2001a) also introduced the idea of a *Tertiary Education Strategy* (TES) which would establish the guidelines for tertiary education provision in New Zealand. The TES would govern the way that research was funded by ensuring that accountability existed in line with the nation’s strategic goals (which could be determined against the tertiary education scorecard and desirability test). This approach was criticised because it indicated quite strongly that research had to support government goals, particularly its economic goals, in order to be legitimated through funding (Duncan, 2002; Kelsey, 2002a).

Nevertheless, in the case of the University of Otago, the HEDC (2002) had provided a platform against which the institution’s academics could be evaluated in terms of their actual research performance. This would allow an emphasis to be given to the ‘quality’ and ‘significance’ of their research in terms of meeting the kinds of requirements described by the government as its national strategic goals and tertiary education priorities. But as Codd (1999) indicated, ‘quality’ had become a powerful metaphor within NPM systems of performance accountability. As
discussed in Chapter 6, the concept of ‘quality’ could be reduced to a set of key performance indicators, each determined by criteria that could be completely unrelated to educational outcomes and defined primarily by government and stakeholder social and economic needs and wants.

In attempting to meet some of the government’s strategic goals and priorities within research, the University of Otago required its academics to demonstrate the following attributes. They had to show that they could assist in fostering post-graduate student talent, provide leadership within a teaching capacity, attract and sustain the successful supervision of research students, develop significant innovations within their particular discipline, provide mentoring for their colleagues and produce research outcomes within scholarly accepted publications (HEDC, 2002).

While these are desirable characteristics to have within an institution’s academic body, the question is in how such traits could be assessed and evaluated within the kind of definitive measurable way required by an NPM accountability process. Taking this particular thesis as an example and examining the ability of the primary supervisor to ‘foster post-graduate student talent’, what performance indicator could be used to accurately reflect the supervisor’s contribution? Does the final grade given to the student reflect upon the capability of the supervisor?
In respect of teaching, Foucault (1977) suggested that within the panoptic metaphor the observational practice of a teacher (to administer, assess, evaluate and report) existed within a reciprocal arrangement where the teacher was also observed. In societies where knowledge was viewed as a means of social and economic development, the practice of teaching had to be constantly monitored to ensure that the teacher (academic) delivered the ‘correct’ knowledge in the most efficient way.

The final TEAC report *Shaping the Funding Framework* (2001b) recommended the introduction of a ‘quality test’ that could be applied to the tertiary education sector to improve and then consistently maintain a quality standard of research and teaching. TEAC (ibid, 17) stated that

*The quality test would require existing quality-assurance bodies to work together with the TEC [Tertiary Education Commission] in establishing threshold criteria to be used in determining the quality standards for the allocation of public funding.*

TEAC (2001b) wanted to ensure that teaching within the various universities and TEIs was undertaken by individuals who had a comprehensive and up-to-date knowledge of their discipline and who could demonstrate the appropriate skills to communicate this knowledge. TEAC believed that where institutions did not employ such individuals, and therefore did not meet their pre-determined performance targets, financial sanctions could be imposed against the funding of the institution’s tuition.
While it is unlikely that anyone would dispute TEAC's view that those employed in a teaching capacity should have the appropriate level of subject knowledge and the practical skills to teach it, TEAC placed the onus of monitoring teacher quality upon the employing institutions by threatening to withhold funding. As a consequence, the various universities and TElS would be required to adopt internal forms of teacher evaluation. These evaluation procedures were likely to include opportunities to promote staff who had demonstrated a high level of performance within their teaching practice. However, the same procedures could also include criteria that enabled staff to be sanctioned when they failed to achieve their specified performance targets. This could include placing such individuals under strict supervision within their departments for a specified period of time or until they reached certain predetermined performance requirements.

Returning again to the University of Otago as an example, such a system was adopted in 2001. The Otago Teaching Profile would become the University of Otago's method of evaluating the performance (in respect of teaching practice) of all academic staff as part of their annual performance appraisal. The Vice-Chancellor of the university, Graeme Fogelberg (2001: 1) welcomed the new Otago Teaching Profile, describing it as a "means of advancing our understanding about staff achievements in teaching." Nevertheless, evaluative tools such as the
Otago Teaching Profile do not always genuinely assess a teacher’s ability to teach.6 Using clear and definitive NPM systems of evaluation, a vast number of NPM styled evaluative tools like the Otago Teaching Profile generally tend to measure the performance of the teacher through such dubious, non-educational indicators as ‘bums on seats’ or per-capita pass rates.7

TEAC (2001, 2001a, 2001b) recommended that all of this extensive monitoring, including the complexity involved in determining who was accountable to whom, could be overseen by a single regulatory authority. As discussed in Chapter 4, this recommendation gained political support through the introduction of the Labour/Alliance Coalition’s Tertiary Education Reform Bill (2001). Both TEAC and the Coalition Government advocated the establishment of a Tertiary Education Commission (TEC). This new Crown Entity would become the state-of-the-art panopticon tower of tertiary education in New Zealand. Both TEAC and the Coalition Government envisaged that the TEC would have the capacity to monitor every aspect of institutional and individual activity

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6 A former colleague (now employed in a university abroad) once told me how he had taken a course to learn how to use Microsoft’s ‘Power Point’ programme so he could incorporate professional looking slide shows into his lectures. My colleague was amused by the fact that he had felt compelled to take such a course. But in explaining it in terms of the current ‘performance culture’ of the university environment, he suggested quite cynically that it did not matter what he taught so long as how he taught it looked good.

7 The Otago Teaching Profile does not necessarily contain the characteristics described here. The point conveyed is that these kinds of characteristics do exist in different evaluative programmes like the Otago model that are currently being used within various universities and TEIs around New Zealand.
within the tertiary education sector. It would provide the supervisory gaze that monitored the matrix of gazes that impacted upon individuals (academics) working within the various universities and TEIs.

As stated in the Postscript at the end of Chapter 4, many critics have since expressed concerns over the degree of legislative power that the Tertiary Education Reform Bill (2001) proposed for the TEC. There have been concerns raised that the degree of surveillance indicated within the Bill could lead to a significant eroding of academic freedom and institutional autonomy within the tertiary education sector. Nevertheless there is little doubt that the TEC will eventuate. It will develop to become the central apparatus of a panopticon society, a system defined by a discourse of tertiary education management.

For every academic involved in the act of teaching, research or further study, the gaze will be continuous. It will come from above, from the hierarchical organisation of the institutions and from the tertiary education system itself. It will come from ‘below’, via the students and consumers of the service being provided. It will come from outside as an expression of business interests and industry expectations, along with national and global economic priorities. It will come from within by way of peer reviews, departmental evaluations, and ongoing practice appraisals. The panopticon environment will serve to individuate every
single academic beneath a perpetual act of monitoring, inspection and review. With a NPM mode of ceaseless surveillance orchestrating the gaze matrix, and with the TEC developed to oversee and manage the system, a new technology of managerialism would evolve. Shaped by various NPM discourses and imposed upon an institutional environment where individuals had been subjected under neo-liberalism and then had their activities and practices objectified by ‘Third Way’ interventionism, a new discourse of Managerial Panopticism would begin to emerge. Within an environment encompassed by Managerial Panopticism only one more gaze would need to be established to complete the total panopticon effect within the tertiary education sector.

The self-regulating gaze

When Foucault combined his two definitions of discipline, its existence as a form of coercion or punishment and as a specified body of knowledge, he created his concept of power-knowledge (Danaher et al., 2000). Foucault used this concept to examine how discursive ‘disciplines’ became internalised to create “docile bodies within powerful new technologies of identity” (Star, 1999: 40). As stated earlier, individuated identities could be defined by the actions and behaviour of the individual (subjecting the individual as the author of an act) rather than by who they were (where the individual might otherwise be subjected by their name, kinship history, culture, geography and so on). For example, people could
be subjected as a consequence of their sexual practices and orientations, their particular moral or religious principles, or by comparing their psychological thinking against widespread accepted ‘norms’ of appropriate mental functioning (McHoul and Grace, 1998). Any limitations imposed upon the individual as a consequence of their subjection were not solely imposed by external institutions and social bodies, they were also self-imposed through confessional revelations and self-surveillance (Foucault, 1977; 1978).

Within an environment encompassed by panopticism individuals would find themselves exposed to the perpetual superintendence of delegated authorities and as a consequence, begin to act in such a way that indicated they were under a continuity of supervision (Star, 1999). As Foucault (1977: 202-203) argued

*He who is subjected to a field of visibility, and who knows it, assumes responsibility for the constraints of power; he makes them play spontaneously upon himself; he inscribes in himself the power relation in which he simultaneously plays both roles; he becomes the principle of his own subjection.*

Therefore the perpetual gaze of panopticism, once established, does not require constant regulation imposed by a dominant social structure or organisation. Nor does its authority need to be consented to (Star, 1999). It could exist and function by its own inertia. The panoptic gaze is no longer simply an act of surveillance imposed upon the individual by others, it operates to include the individual as part of its own *modus operandi*. It
slowly embraces the individual, influencing them in such a way so that they begin to perpetually monitor their own thinking, acting and behaviour. The panoptic gaze embeds itself into every situation and activity to become part of the culture and habit of the individual.

In a Journal article *Educational Reform, Accountability and the Culture of Distrust* Codd (1999) who, as indicated in Chapter 3 had argued that NPM was developed from earlier theories of management, referred to post-World War I education practices within the United States. Codd argued that after the war the United States adopted a Taylorist approach to education where American schools were required to constantly record and report all their daily activities (ibid.). According to Codd (ibid: 47) "efficiency had to be not only done, but it had to be seen to be done". Within this environment educational cost accounting became a priority and teachers were required to participate by providing documentation that accounted for their activities in terms of time efficiency and educational delivery (ibid.).

As indicated in Chapter 5, this recording and reporting ethos has become a significant part of the NPM systems of monitoring and surveillance that have been introduced to New Zealand’s tertiary education sector since 1987. The NPM discourse requires academics within the various universities and TEIs to go about reviewing and
analysing their own programmes and activities within managerialist terms (Jones and May, 1999). They are constantly required to review their role as a teacher and to analyse their performance in terms of their research ‘output’. In other words, they have to ensure that their efficiency is ‘being seen to be done’. As academics and teachers gradually alter their institutional behaviour to correspond with these NPM requirements they could risk evolving into compliant and self-regulating individuals (Ball, 1999; Ballard, 2002). This would represent the crowning achievement of true panopticism: docile subjection created by a plethora of endless assessments and reviews.

Within this environment the gaze could be maintained without the need of an external authority to continually enact it. The ‘tower’ could remain empty, and in the absence of an inspector the academics would still go about their daily routine in anticipation of the various rewards and/or sanctions that could be imposed upon them by the NPM systems that governed their practice. They would act and therefore become subjected by their own self-regulation (Ball, 1999). They would produce ‘virtual’ representations of themselves, crafting curriculum vitae based upon their performances and their outcomes and not necessarily upon their achievements and character. They would measure themselves in terms of rewards and sanctions (a promotion ‘here’ or a loss of research funding ‘there’). They would become actors within the NPM system that
encompassed their world by 'critically reflecting' upon the way they thought, acted and behaved. They would risk becoming the most active and significant participants of their own subjection and superintendence by responding to their environment based upon their own perceptions and assumptions of what that environment required of them.

With the gaze matrix encompassing their world (imposed from above, below, within and without) the academics within New Zealand’s universities and TEIs would complete the total panopticon effect by turning the gaze on themselves. They would become their own inspectors. Beneath the ceaseless NPM gaze of the new TEC, academics could succumb to compliant immersion within a tertiary education system governed within the shadow of Bentham’s Panopticon World.

Resistance

Within such a world there would be virtually no hope of resistance. The gaze would serve to control and regulate the thoughts and behaviour of society’s individuals (Danaher et al., 2000). Nevertheless there are those working within the tertiary education sector who do know that they reside within an environment designed to coerce them into academic docility. For these individuals one of the few possibilities of resistance may lie within the realisation that the panopticon apparatus did not always produce docile compliance (Foucault, 1977). At the end of chapter 6 I
discussed Hazeldine’s (1998) thesis that those employed within an environment devoid of trust responded by becoming untrustworthy. But this untrustworthiness is not solely an acceptance of the distrust of the individual by management, it is also an act of resistance. An example of such an act of resistance might be demonstrated as such:

“You want me to work for you and you want me to be loyal to your interests but you will not trust me. I will show you how untrustworthy I can be. I will undermine your managerial impositions at every opportunity.”

(The voice of the untrustworthy individual)

In other words, for academics within institutions imbued by an NPM need for compliance there would always be a possibility that the population upon which ‘expectations of compliance’ were imposed could respond by behaving in a non-compliant fashion.

Nevertheless it could also be argued that resistance is, in fact, an inevitable part of any panopticon system, aiding in the identification of inherent deficiencies and anomalies that threaten to disrupt it. Resistance allows for those anomalies to be located and corrected. Alternatively, resistance targeted at the ‘system’ can find itself challenged by the system’s own forms of resistance. For example, after 1984 under the Fourth Labour Government, the Minister of Finance Roger Douglas responded to resistance against his ‘New Right’ economic policies by accelerating his economic reform agenda (Kelsey, 1995).
Kelsey (2002) indicated that this was representative of the role of contemporary Third Way governments like the 1999 Labour/Alliance Coalition. According to Kelsey (ibid.) these governments did not exist to govern. They only endured to correct the capital market imperfections that threatened to disrupt the economy or to resist various minority interests that attempted to undermine the strength and cohesion of the government’s conceptualisation of civil society. In other words, any resistance directed at a system imbued with the new surveillance mechanisms of Managerial Panopticism could actually contribute to strengthening and supporting those mechanisms. Resistance supports the illusion of democracy and freedom by appearing to allow for the individual’s capacity to oppose the system. But this illusion of freedom could simply serve to further mask the underlying act of coercion and, as such, support its ultimate requirement: compliance.

*When I spoke of their having power, all I meant was, that what power is given, such as it is, is in their hands. But it is a power big with impotence.*

Bentham (1834: 126)

**Conclusion**

As New Zealand takes a giant leap into the twenty first century, taking with it the aspirations of a nation determined to prosper as a knowledge society of the future, the same problems that plagued the tertiary education sector at the end of the previous century remain. These problems, re-spoused by four TEAC reports within two years, still focus
upon the quality and competitiveness of a tertiary education sector within a national and global context.

The future tertiary education sector in New Zealand seems determined to support egalitarian principles of participation in terms of a 'right to consume' rather than the traditional 'right of access'; and performance-based research where the value and validity of the research is measured against economic and political indicators. Within this kind of educational environment the subjection of the individual within the universities and TEIs is undergoing a significant transformation. As Bentham's earlier vision of a panopticon society has slowly encompassed the management of tertiary education in a twenty first century New Zealand, surveillance of the individual is beginning to occur from all directions (Semple, 1993). The institutional hierarchy of each university or TEI will monitor the activities and behaviour of its own academics. The TEC will then monitor the activities and performance of each individual institution. However, the collective of all institutions, along with the government and other sector stakeholders, will in turn survey the objectivity and relevance of the TEC's monitoring programmes. Meanwhile, the academics within each individual institution will continually watch each other while collectively, they will be exposed to their student/consumers and their performance-based research market. The entire system itself will then be exposed to widespread public scrutiny and
accountability. Finally, each individual within the system, including the academics, will turn their own gaze upon themselves to risk becoming self-regulating docile subjects within a Managerial Panoptic process that defines and dictates their role within the tertiary education sector.

As stated earlier, the complexity of the gaze matrix, accompanied by the self-regulation of the individual subject, will make the panopticon effect so complete and so perpetual that the system itself will no longer require the presence of a structural or authoritative entity to oversee it. The existence and presence of a government apparatus would no longer be required within a panopticon society because the continuity of the gaze matrix, accompanied by the docile subjection of all who resided within it, would allow the system to operate in perpetuity by its own inertia.

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\[\text{It was this complete control achieved by maximum transparency that made Foucault describe the panopticon as an ideal instrument in the physics of modern power; it enables the subject to be examined and manipulated and, because he can never know when the eye of inspection is upon him, discipline is internalized, he collaborates in his own subjection.}\]

(Semple, 1993: 144)

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CHAPTER 9

Producing and Disseminating Surveillance in the Knowledge Society

This strategy will be a living entity, breathing life into a new set of institutions, and a new approach to setting priorities and funding learning.

Maharey (2002a: 3)

According to the New Zealand Ministry of Education (2002a), the world's economy is changing. This transformation represents the formation of a globalised knowledge society in which the economic prosperity of singular nation states will reside within their capacity to create and apply transnationally trade-able forms of knowledge and education. The Ministry of Education (ibid.) believes that the tertiary education sector must exist to support the nation's own unique strengths and character in order for New Zealand to prosper within this new global context. This will require a competitive research ethos and an advancement of New Zealand's human capability through the perpetual development of improved skills and knowledge.

During the late 1980s and throughout the 1990s it was generally argued through a neo-liberal discourse that in order for individuals to be able to actively pursue their own best interests within a free market economy it was necessary that state intervention was kept to a minimum. This was the great irony of neo-liberal discourse. On the one hand there
was a continued effort to support mechanisms that served to maximise opportunism to benefit the consumer agency of the individual. But on the other hand, NPM systems of management were gradually imposed upon all the public institutions and the individuals who resided within them to stifle opportunism where that opportunism was deemed to be contrary to the interests of the institution and its stakeholders.

Nevertheless, the neo-liberal subjection of the individual that dominated western capitalist societies at the end of the twentieth century continued into the twenty first. At the dawn of the new millennium there was a clear commitment given by a number of western governments (including New Zealand’s Labour/Alliance Coalition) to support individualism as part of a ‘Third Way’ commitment to building the all encompassing ‘global’ knowledge society. This commitment continues, to a large extent, to depend on the same conceptualisation that individuals are motivated solely by their own self-interest. Individuals think, act and relate as consumers.

In 1999 the Labour/Alliance Coalition adopted a return to a more interventionist role in government. But as stated in Chapter 2, this new intervention differed to the interventionist approaches of the pre-1984 Keynesian governments. At the dawn of the new millennium the Labour/Alliance Coalition embraced the neo-liberal subjection of the
individual as 'consumer' and used this subjection as a means to facilitate bureaucratic intervention into the lives of New Zealand's citizens in a re-defined world driven by performance, accountability, production and consumption.

With a government desire to impose an NPM system of monitoring, inspection and review upon the tertiary education sector, New Zealand's tertiary institutions and those employed within them are caught in the middle of an emerging panopticon society. In the case of academics, Jones (2002: 15) argued that like other state-funded service occupations such as schoolteachers and nurses,

Their salaries are kept at a minimum to hold down state spending, their workload is increased substantially in order to keep the number of employees down and hold costs, they are required to get into debt to get training that qualifies them for these overworked and underpaid jobs, and they are over-managed by highly-paid generic managers who have little or no non-managerial experience in the field and institution which they manage, and no institutional loyalty, and whose pay is partly determined by 'performance indicators' based on how well they have kept costs down...

Academics are monitored, managed, measured and evaluated as though there is no distinction between one and another. They are treated like sheep, shepherded within their institution and throughout their careers so that they learn to think, act and behave in accordance with systems and processes that are imposed upon them.
The legacy of the Labour/Alliance Coalition: Managerial Panopticism

*Our prosperity relies on the skills and knowledge of our people and how successfully these skills and knowledge can be applied to generate economic growth.*

Dr. Michael Cullen (23.05.2002)

In Chapter 2, I examined the Labour/Alliance Coalition’s ‘Third Way’ agenda using Kelsey’s (2002) critique that it was an unprincipled agenda that lacked any coherent strategy and survived solely upon crisis management and charismatic inertia. Leading up to the 1999 general election the Labour Party had promoted the ‘Third Way’ philosophy as part of its pre-election campaign. The Party represented itself as a new direction that would seek to rebuild a nation ravaged by fifteen years of right-wing marketisation. It would also set about forging new community partnerships and creating new opportunities that would support every single New Zealand citizen who, according to Labour’s campaign, had a role to play as a member of a new and vibrant knowledge society.

But as indicated in Chapter 2, Kelsey (2002, 2002a) scoffed at the Labour Party’s ‘Third Way’ propaganda. She argued that where the Party had promoted a sense of nationalism through its intention to rebuild, it actually remained committed to a policy of globalisation through its commitment to free trade and foreign investment. With respect to community partnerships, Kelsey argued that these partnerships were generally superficial with economic considerations always taking
precedence, and that such partnerships actually served to depoliticise the communities rather than strengthen them. Finally Kelsey criticised the so-called ‘knowledge society’. She suggested that while the government remained committed to reducing expenditure in education and training, and while it continued to undermine the innovative potential of the economy through a commitment to globalisation, the nation’s capacity to develop the so-called knowledge society was limited.

Despite these criticisms, the Labour/Alliance Coalition Government remained committed, at least within its own rhetoric, to supporting the development of a knowledge society during its entire three-year term (1999-2002). In its final Budget (23 May 2002), the Coalition’s Minister of Finance, Dr. Michael Cullen, argued that New Zealand needed to maintain an effective labour market and a healthy tertiary education sector in order to become a knowledge society. To sustain a knowledge society, these two sectors (industry and education) would need to work together in partnership to ensure that the skills required in industry were developed via education and training.

It would appear that the Coalition’s view of a knowledge society was that of a society defined through an application of Human Capital Theory (see Fitzsimons, 1997; Olssen, 2000). The Associate Minister of [Tertiary] Education, Steve Maharey (2001) had made a number of
references to New Zealand’s ‘human capability’ that supported this perception. By its third year in office it appeared that the Labour/Alliance Coalition had not only accepted the neo-liberal conceptualisation of the individual as ‘consumer’, they had also added two new attributes, the individual as a ‘mechanism for production’ and the individual as an ‘economic resource’. Because the individual was now a fundamental part of the Labour/Alliance Coalition’s ‘knowledge society’ (as a consumer, labour tool and economic resource) it became essential that the government reimposed new bureaucratic interventions into the lives of its citizens. This, according to the Labour/Alliance Coalition, would ensure the ongoing success of the nation and all its stakeholders (including the depoliticised community partners). In order to achieve this ongoing success, the Coalition would establish new NPM systems of monitoring, inspection and review that would enable it to evaluate the ongoing performance and efficiency of New Zealand’s human capability.¹

In the Labour/Alliance Coalition’s final Budget, funding within the tertiary education sector was allocated across the government’s key

¹ As an aside, the New Zealand Accident Compensation Corporation (ACC) under the Labour/Alliance Coalition Government set about to remove or “exit” 7,104 long-term clients from its books between 1999 and 2002. The figure given for the long-term clients was described by the Corporation as the “ACC total target of reduction in stock” (Sunday Star Times, 20 October 2002: A2- emphasis added). Victoria University ACC law specialist John Millar (ibid.) suggested that by using the word ‘stock’ to describe its human client-base, ACC were fostering an institutional culture where people were still individuated (as clients) but could also be de-humanised (as animals). The ACC example could be seen as an application of Human Capital Theory at its most extreme.
development portfolios (Cullen, 2002). There was an emphasis towards developing skills through a variety of programmes including the competitive, performance-based Centres of Research Excellence fund. There was also a commitment made to enhance global connectedness by allocating additional resources for export promotion. The Budget also signaled the development of a new Strategic Investment Fund that would be used to establish linkages with major foreign investors. Finally Cullen (ibid.) identified the key ‘focus sectors’, the areas where the government believed New Zealand could achieve its greatest outcomes in terms of innovative potential. These areas were biotechnology, information and communication technology and creative industries (see Kelsey’s 2002 and 2002a commentary in Chapter 2).

During the same parliamentary sitting that delivered the 2002 Labour/Alliance Coalition Budget, The Tertiary Education Reform Bill was returned to the House for its second reading. Along with the Budget, the Tertiary Education Reform Bill (second reading, 2002) began to introduce a number of strategies that were intended to reform the tertiary education sector by improving its capacity to achieve the government’s three critical objectives: excellence, relevance and access (Maharey, 2002b).
Side by side, the Budget and the Tertiary Education Reform Bill (second reading, 2002) introduced a new Student Component that would replace the EFTS tuition funding system. In supporting the government’s commitment to promote sector-wide participation as part of its knowledge society approach while maintaining a performance related element within the funding of tuition, the Student Component would, according to Cullen, (2002), ensure limits on tuition costs through a fee maximum system. Alongside this was the Performance-Based Research Fund (PBRF). The introduction of the PBRF would serve to increase the average quality of research through competition, relevancy and accountability (Maharey, 2002a). This created a clear indication that the Coalition was committed to imposing a contestable performance-based research agenda onto the universities. This agenda would require researchers to comply with the government’s own aims, objectives and guidelines within their research in order to make their research eligible for public funding. Finally a new Strategic Development Fund would be established in 2003 to assist the various universities and TEIs to develop the capacity to align themselves with the government’s national goals and objectives in a ‘sustainable’ and long-term way (Cullen, 2002).

2 In Dr. Cullen’s Budget speech he suggested that the PBRF would also underpin “the core strengths of tertiary education research” (emphasis added). Given that CORE is the abbreviation for the Centres of Research Excellence, Cullen’s particular choice of vocabulary is somewhat ironic.
The Labour/Alliance Coalition had hoped to have the Tertiary Education Commission (TEC) established on 1 July 2002 as part of its tertiary education reforms. Unfortunately the Tertiary Education Reform Bill had only just passed its second reading before the dissolution of Parliament and would not become legislation until after the general election (27 July 2002). Despite this, the Labour/Alliance Coalition did set aside the funds necessary for the TEC’s establishment by allocating $32 million to cover the first two years of its operation (Otago Daily Times, 2002c). The Coalition also pre-appointed most of the TEC’s commissioners in advance.3

As argued in Chapter 8, the Tertiary Education Commission is likely to become the panopticon tower of New Zealand’s tertiary education sector. The TEC’s role will be to ensure that the government’s specific tertiary education goals, objectives and performance outcomes are continuously achieved (Cullen, 2002). It will monitor the tertiary education sector to ensure that it continues to contribute to the growth and

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3 The TEC’s chairperson was to be Dr Andrew West and its deputy chairperson was Kaye Turner. Other commissioners appointed thus far are: Dr Ian Smith of the University of Otago; John Blakey, a chief executive of the Forest Industries Training Organisation; Shona Butterfield, chief executive of the Open Polytechnic of New Zealand; Jim Donovan, managing director of the media production company Isambard Ltd; Andrew Little, the national secretary of the Engineering, Printing and Manufacturing Union; and Tina Olsen-Ratana of Te Kokiri Marae (Otago Daily Times, 2002d).
innovative potential of New Zealand's knowledge society (Maharey, 2002b).

It is envisaged that by the time the TEC is established it will employ approximately 260 staff, a number that should increase after the initial first two years. It will operate from a centralised national office in Wellington and it will administer over fourteen regional and satellite offices throughout the rest of the country (Maharey, 2002a). Despite the many submissions made to the Education and Science Select Committee after the first reading of the Tertiary Education Reform Bill, in the Bill’s second reading (2002) the TEC has been given increased powers and less autonomy than the Tertiary Education Advisory Commission’s (TEAC’s) original vision. Under a new discourse of Managerial Panopticism the TEC will become a new centralised bureaucracy whose sole purpose will be to impose an increased level of monitoring and surveillance over New Zealand’s entire tertiary education sector.4

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4 As a postscript to this chapter, the Tertiary Education Reform Bill (2001) underwent its third reading in Parliament on 5 December 2002 and was passed into legislation (Otago Daily Times, 2002e). Nevertheless, there was continuing criticism from the universities, the NZVCC and its individual members, and from opposition Parties within the House concerning the increased powers that would be placed into the hands of the Minister of Education through the monitoring and funding role of the new Tertiary Education Commission (ibid.). Despite these criticisms, the new legislation mandated the establishment of the metaphorically panoptic Tertiary Education Commission 'tower' on Wednesday, 1 January 2003.
Monitoring the Future

After the July 2002 general election a minority Labour Government was formed with the new Progressive Coalition as a coalition partner. With the only significant change in government being the Labour Party's need to form a strategic alliance with the centre-right United Party, the direction of tertiary education reform established by the 1999 Labour/Alliance Coalition seems set to continue. The current government remains convinced that economic and social development are key factors needed for New Zealand to be able to become a knowledge society (Ministry of Education, 2002a). But within the relationship that exists between 'the social' and 'the economic', New Zealand's 'human capability' is reduced to 'productive capability', 'social capability' and 'well-being' (ibid.). The Ministry of Education (ibid: 11) has expressed a determination to avoid a "waste of human talent".

In the Ministry of Education's (2002) document The 2002 Briefing for the Incoming Minister of Education the same statements that have accompanied the reform process for the last three years continue.

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5 As an interesting aside Steve Maharey, as noted in Chapter 4, was the Labour/Alliance Coalition's 'Third Way' spokesperson as well as the Minister representing tertiary education and social services and employment. In Chapter 4, I argued that Maharey's position within the Coalition gave Maharey the sole responsibility of 'steering' New Zealand's human capability. Within the new minority Labour Government (2002) Maharey has retained these two crucial portfolios as well as taking up added responsibility as Minister of Broadcasting.

6 Given the earlier ACC example, one might assume that "waste of human talent" could be described as a "stock overrun" that could, in an economic sense, be written off as a cost incurred during the development of New Zealand's knowledge society.
According to the Ministry of Education (ibid.) New Zealand's universities and TEIs will have to continue to forge community, business and stakeholder partnerships. The institutions will also need to achieve the right balance between cost and participation and develop an institutional culture that produces relevancy and efficiency in its teaching and research performances and outcomes.

In an environment where accountable partnerships with other interests (community, business and 'stakeholders') are created, sector-wide participation is maximised, investment flow is monitored, relevant research and quality teaching are rewarded, and the government's own national developmental goals and education priorities are imposed; a system of Managerial Panopticism begins to emerge. While the government foresees the TEC as the central apparatus within this new system of surveillance, it is actually the way that relationships are formed and defined beneath its jurisdiction that establishes the gaze matrix. As stated in Chapter 8, it is in the continuity of acting, watching, performing, responding and the way that individuals participate at all levels of this complex system of structural and symbolic relations that is the true art of Managerial Panopticism.

As stated in Chapter 7, Jeremy Bentham had envisaged his panopticon as a living entity with its tower serving as its heart [and eyes]
and its cells functioning as its nerves and arteries. In his own personal notes, Bentham had imagined a panopticon world where he resided within the tower as the great and divine inspector of everything (Semple, 1993). While it is impossible to be certain of Bentham’s intention in his analogy (his temporary God-like status could have been a passing moment of humour as much as anything else), it would appear that even in the eighteenth century he understood the possibility of universal or global surveillance. According to Semple (ibid.) Bentham had gone so far as to suggest that the panopticon could exist simply to serve itself. In the absence of an inspector, a government and even a society, the panopticon could continue to act and function by its own inertia.

In Chapter 7, I made the same claim in respect of NPM. I suggested that it was a system of management that, once established, was able to function by its own inertia. It lived and breathed within the contractual relationships that bound individual and institution. It thrived within a series of imposed performance indicators designed to facilitate the perpetual watching over every activity. It worked to stifle individual opportunism, managing it with systems that could reward and punish. It created a capacity within individual to survey and to self-regulate.

In the same way, the new Tertiary Education Strategy (TES) adopted by the Ministry of Education (2002a) appears to take on very
similar ‘animate’ qualities. By presenting a five-year plan for setting priorities and funding learning within New Zealand’s tertiary education sector, the TES demands that the universities and TEIs collaborate together to avoid unnecessary duplication (the formation of contractual relationships). This requires the various universities and TEIs to develop a greater understanding of other providers (watching and assessing) and to link into beneficial partnerships where services and courses can be rationalised (ibid.).

The TES also requires the various tertiary sector institutions to continue to meet and surpass the government’s national goals and education priorities and be rewarded through various incentive structures and additional funding for doing so (ibid.). It also insists that the entire tertiary education system should continue to deliver services in the most efficient and effective way while, at the same time, pursue new ways to improve and enhance the quality and outcomes of both teaching and research. Otherwise, where various tertiary sector institutions fail to do so, they can be punished by way of sanctions or through the removal of their public funding (ibid.).

While this is set out as a plan for the next five years, Maharey suggests that this is not to imply that the TES is a static document. According to Maharey (2002a: 3-with emphasis given as it appears in the original text) “a key aspect of this Strategy is the ongoing strategic

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Not unlike the 2002 ‘Memorandum of Understanding’ signed between the University of Otago and the Dunedin College of Education.
dialogue which supports it and which will ensure that it remains a
dynamic and living document." Maharey has used the same ‘living’
metaphor to animate the TES and, in doing so, has given it the symbolic
means to ‘survey and self-regulate’ and encompass New Zealand’s entire
tertiary education sector and all those who are employed within it.

Panopticism is slowly permeating New Zealand’s tertiary
education system. It is imbued within the political and economic spaces
that define our society and is promoted as necessary to manage the self-
interested individual. The Ministry of Education (2002a) has committed
itself to a future in which NPM systems of monitoring, inspection and
review dominate the tertiary education sector, attempting to promote
higher levels of efficient and effective provision by targeting the quality
and standards of learning and research (ibid.).

The Ministry of Education (2002a) believes that consumers, as
stakeholders, need to have access to the knowledge and information that
will allow them to make informed and relevant decisions about their own
personal needs as well as the generic needs of the wider society. The same
kinds of information would also serve to foster greater institutional
performance by providing the criteria against which the various
universities and TEIs can evaluate and assess their own practices,
strategies and management systems. The Ministry of Education (ibid.) has
indicated that those working within the universities and TEIs (including academics) need to feel a sense of ‘belongingness’ within the system, a connection that will enable them to access the necessary tools to monitor, evaluate and self-regulate their own professional skills and abilities. According to the Ministry of Education (ibid: 19) the new strengthened charters and profiles will serve to increase the availability, consistency and transparency of the information needed by all tertiary education stakeholders. In the case of the new TEC, the charters and profiles will provide the base indicators against which the system can be managed across its entire monitoring matrix.

In New Zealand the various universities and TEIs have already begun to alter their status, character and behaviour to reflect the new NPM discourse of compliance. Despite the changes, the new minority Labour Government believes that more dramatic changes will occur over the next five years to create a tertiary education sector that will be focused upon the needs of a more globally connected New Zealand economy and society (Cullen, 2002).

At the dawn of the new millennium New Zealand’s tertiary education system is gradually succumbing to a new discourse of Managerial Panopticism. It is a system that appears to place the management and control of the entire tertiary education sector into the
hands of a select and chosen few. But even those few individuals are likely to find themselves caught within the ceaseless gaze of a seemingly animated system of management. Managerial Panopticism will increasingly appear to become a 'living' part of the lives of academics because of their own need to comply with the management structures imposed upon them. It will become an inherent part of an academic's own teaching and research.

Managerial Panopticism will ensure that every individual within the system will be exposed to constant and uninterrupted supervision. It will perpetually monitor, evaluate and regulate the behaviour and activities of every single individual regardless of their status or position within the institutional hierarchy. It will live, think and speak through the endless watching, monitoring, inspecting and reviewing that occurs as part of the professional and social relations that exist between individuals and institutions.

* * * *
Managerial Panopticism will take the Labour/Alliance Coalition's vision of a knowledge society and use it to create an imprisoned society. This manifestation of a knowledge society will be a society oppressed beneath the ceaseless gaze of a metaphorical panopticon where those who are watched do the watching.

Craig Ashcroft (2002).
CHAPTER 10

Conclusion.

Asking the Perpetual Question:

“What Next?”

To enable the public to look at his accounts, a man must look at them himself. No man travels quietly on in the road to ruin with the picture of it before his eyes.

Jeremy Bentham (1843: 128)

This thesis has focused on tertiary education reforms in New Zealand. In particular, this thesis has looked at the impact that New Zealand’s tertiary education reforms have had upon the various universities and upon the academics employed within those institutions. While this thesis did look at other related issues such as participation, globalisation and political discourse, the emphasis remained with the institutions and individuals within a tertiary education sector that I have argued has become saturated by a process called Managerial Panopticism.

This final chapter sets out to reiterate some of the findings that have emerged from this study of the tertiary education reforms of the 1990s and of the 1999 Labour/Alliance Coalition Government. In this chapter I will argue that the process of Managerial Panopticism will continue unabated unless there is some form of intervention that can significantly disrupt its gathering momentum. While it was never an
intention of this study to recommend an alternative model of tertiary education reform (something that I would be interested in undertaking as part of a future project) I will argue within this chapter that a less interventionist approach to reform could more effectively enhance New Zealand's tertiary education system.

What this Thesis has established

This thesis has used Jeremy Bentham's eighteenth century prison architecture as a metaphorical representation of the coercive influence of New Public Managerialism (NPM) on New Zealand's universities and academics particularly within the last five years. In making this analogy, I have presented a critique of NPM by arguing that like the panopticon, it is an efficient means of exercising power through an act of constant and uninterrupted supervision that places everyone (including those charged with the responsibility of watching others) beneath its gaze. Like the supervisory effect of the panopticon, NPM creates docile compliance by producing a situation in which individuals play a part in their own ongoing subjection.

I have argued that within New Zealand's universities the docility created by Managerial Panopticism restricts the capacity of individuals (academics) to act as the nation's 'critic and conscience' because the encompassing meta-narrative of neo-liberalism that defines the new
technologies of management also has the effect of silencing alternative discourses and ‘truths’. I have also argued that Managerial Panopticism leads to an ongoing erosion of academic freedom because individuals (academics) are constantly monitored and assessed for their capacity to teach and for their ability to generate research in accordance with criteria established by the authors of the monitoring and assessing technologies.

This thesis has also examined the neo-liberal redefinition of New Zealand during the latter part of the twentieth century. Neo-liberalism had served to create a subjection of the individual as a ‘consumer’ and an objectification of education as a ‘commodity’. Neo-liberalism also addressed ‘opportunism’ within and outside of the public-sector institutions in two very different and conflicting ways. Firstly, individuals as ‘consumers’ within the neo-liberal construction had certain rights and privileges that ensured their freedom and their capacity to make life choices that served their own interests. Alongside this was the secondary problem that arose when individuals had been granted their sovereign rights and freedoms and then acted upon those rights and freedoms within their workplace. According to neo-liberalism, when individuals were employed within public-sector institutions (i.e. universities) they would often seek to maximise their own interests ahead of the public interests of that institution.
Having identified the neo-liberal subjection of the individual, this thesis also examined the evolution of neo-liberal discourse through an interventionist NPM methodology applied under the auspices of a ‘Third Way’ approach to government. While an NPM discourse had been an integral part of education reform under neo-liberalism, it was in the interventionist ‘Third Way’ approach undertaken by the 1999 Labour/Alliance Coalition that I saw the potential for an analogy with panopticism. In using this analogy, I have demonstrated the possible consequences that an NPM system of monitoring, inspection and review can generate for the tertiary education sector. I have shown how such systems can influence the way research is undertaken, the kinds of courses that are taught, and the way that individuals communicate and ideas are exchanged. The traditional qualities of institutional autonomy and academic freedom, and the Kantian ideal that knowledge should be produced and disseminated by scholars who are free to speak as the ‘critic and conscience’ of society, are reduced down to a procedure of ‘performance and accountability’.

I have also demonstrated throughout this thesis that academics are exposed to a form of panopticism where they are constantly monitored and assessed through ongoing peer evaluations, departmental reviews, annual performance appraisals, student endorsements and by their success or failure in accessing external research funding. As a consequence of this
endless scrutiny, academics begin to monitor their own activities to ensure that they constantly comply with management’s various expectations of them.

In demonstrating the coercive ‘control’ of NPM, this thesis has also shown that the reforms undertaken by the 1999 Labour/Alliance Coalition Government (as an extension of the reform process established during the 1990s by successive neo-liberal governments) has seriously eroded the traditional culture of the modern university and replaced it with an environment built upon superintendence and distrust. Hence, the reforms of the Labour/Alliance Coalition, along with the recommendations made within the four Tertiary Education Advisory Commission (TEAC) reports, have simply contributed towards establishing a panopticon within New Zealand’s tertiary education system. This panopticon exists within the vast and bureaucratically complex matrix of monitoring and surveillance that is undertaken perennially within the tertiary education sector and will soon come to reside beneath the metaphorical gaze of a panopticon tower: the Tertiary Education Commission.

The metaphorical comparison of Bentham’s panopticon, drawn primarily from Michel Foucault’s philosophical analysis of the relations of power, also enabled this thesis to identify and map the complexity of the
gaze matrix created within the tertiary education system by Managerial Panopticism. From the superintending inspectorate of the proposed Tertiary Education Commission through to the self-regulation of individuals, this study has clearly demonstrated Foucault’s thesis that power functions best when it is hidden from view. Under a ‘Third Way’ approach of establishing sector-wide partnerships that ensures every individual’s ‘stakeholdership’ within the tertiary education system, this thesis has exhibited the covert capacity of Managerial Panopticism. This capacity resides within the ability of NPM technologies to establish and impose a system of monitoring, inspection and review that seems beneficial to the ‘stakeholder’ status of individuals. Managerial Panopticism exists as a new apparatus of power that employs techniques of coercion that allow individuals to attain a sense of opportunism through an act of compliance whereby that sense of ‘opportunism’ is actually an illusion used to stifle possible resistance and alternative discourses that may otherwise threaten the reform process.

**Looking at the future under the current reforms**

It could appear from this thesis that I am opposed to any form of monitoring and accountability within the tertiary education sector. However, this would be an incorrect assumption. Any system of education (as well as any institutional activity funded by external ‘stakeholders’) should have the appropriate ‘checks and balances’. But as this thesis has
shown, the current NPM approach to evaluating performance within the tertiary education sector stifles many of the attributes (institutional autonomy, the production and dissemination of knowledge, the capacity to exercise academic freedom) often considered to be the essential characteristics of New Zealand’s universities. The Labour/Alliance Coalition’s determination to build a knowledge society through an advancement of New Zealand’s human capability represents little more than a clinical economic exercise in shepherding human ‘stock’. As discussed in Chapter 9, academics are treated like sheep in that they are monitored, managed, measured and evaluated (prodded and probed) as though there is no distinction between one and another. They are ‘shepherded’ within their institution and throughout their careers so that they learn to think, act and behave in accordance with panoptic NPM systems imposed upon them.

Within this kind of environment the persistent ‘red tape’ and the endless cycles of assessments, evaluations and reviews all serve as the ‘bitter pill’ taken to reputedly improve the health of the institution and the workplace. As this thesis has shown, by accepting the NPM medicine, academics within the various universities and TEIs are ensuring that their own individual performance and efficiency meets with the criteria that have been pre-determined by whoever prescribed that ‘bitter pill’. This self-regulating compliance creates a realm of academic docility where it
has been argued that the 'performance' of the academic takes precedence over their actual teaching and research.

In the case of teaching I have demonstrated within this thesis that an individual’s performance could be rewarded or sanctioned through such acts as promotion or supervision. However, I have also argued that the evaluative mechanisms used to assess the level of an individual’s performance will often be based upon such dubious, non-educational indicators as 'bums on seats', per-capita pass rates or government preferences for vocational relevancy.

This thesis has also examined how individuals could be assessed for their capacity to produce 'accountable' and 'valid' research. In looking at research I have shown how NPM processes can assess individuals by monitoring how they operate within funding guidelines, act in accordance with specified goals and objectives (pre-determined without consultation) and produce 'valuable' outcomes where that 'value' has also been determined by dubious economic criteria. This could include estimating the immediate marketable potential of the research product or evaluating the charismatic capacity of the researcher and the research in attracting public and media attention and, as a consequence, generating the image of a 'winning' research culture.
In an environment where NPM discourses claim that an educated society is an essential human resource that promotes nation state status and participation within an implied ‘homogeneous’ global knowledge society, this thesis has indicated that the reforms currently being imposed upon New Zealand’s tertiary education sector could have dire implications for the nation’s future academics. In attempting to create the so-called knowledge society, these government-led reforms will determine what research academics can undertake and what courses they can teach. These same reforms will seriously erode the capacity of academics to speak as the nation’s ‘critic and conscience’ and to exercise any genuine sense of academic freedom due to their need to comply with management evaluative processes and employment contractual obligations. But in making such claims this thesis has also demonstrated that while these important things will be diminished by the reforms, they will not be extinguished entirely. As this thesis has shown, writers like Kelsey, Codd, Olssen, Peters and Roberts have continued to critique the reforms from within the system itself. To some extent their work represents a form of resistance to the panoptic process.¹ And to some extent so does this thesis.

¹ While such individuals exercise resistance, I indicated in chapters 7 and 8 that Foucault (1982: 331) saw the coercive capacity of panopticism as a technique of power that categorised individuals and assessed them by their own individuality, thereby ensnaring them with the particular “law of truth” that had created their subjection. In order for these academics to create their spaces of resistance they have to accept their subjection as an ‘academic’ through the various discourses and practices that serve to objectify what an ‘academic’ actually is.
Future possibilities for study

At the outset of my thesis work I was always aware that midway through the process there was going to be, at any time, a general election in New Zealand. As indicated in Chapters 2 and 9, that election was held in July 2002. While I never believed that a possible change in government would significantly impact upon the direction of the TEAC led reforms I was always mindful of the minute subtleties that any change in New Zealand's Parliamentary composition could have upon the philosophy behind those reforms. As it would happen a minority Labour Government was returned to office. This new government was supported by the newly formed Progressive Coalition Party (a splintered faction of the Alliance Party) and through a less formal arrangement with the surprisingly successful centre-right conservative United Party. While I can only speculate as to what this will mean for the tertiary education sector over the longer-term, it is reasonable to suggest that the 'Third Way' knowledge society approach and the accompanying NPM discourse advocated by the 1999 Labour/Alliance Coalition is likely to gain further momentum at least over the next three years.

I am planning to study and write about future developments within the tertiary education sector as well as expanding the work undertaken in this thesis by looking at the areas of participation and globalisation in more detail. I am also determined to expand upon the comparative work I
have done here in an attempt to further develop my concept of Managerial Panopticism. While I have used this concept here to focus upon the way managerialist reforms impact upon universities and academics, I believe a Managerial Panoptic analysis could be applied to other areas within the study of education as well as in the broader area of general political reform.

Finally, in focusing upon my own interests in the areas of tertiary education, government policy and philosophy, and by developing the concept of Managerial Panopticism, it is my genuine hope that I have helped create a space where constructive debate over the future directions of tertiary education reforms can occur. One of the dire consequences of perpetuating a sense of academic docility is that it diverts academics from one of their expected roles, speaking as the nation's 'critic and conscience'. As long as there is a space for debate, New Zealand's academics can feel encouraged by the possibility that those responsible for creating and administering our tertiary education policies may actually hear and respond to critical questioning.
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