

# **Moments of Rupture**

## **Changing the State Project for Teachers: A Regulation Approach Study in Education Industrial Relations**

by

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# CONTENTS

<b>Contents</b>	<b>Page</b>
Abstract	v
Acknowledgements	vi
Abbreviations	vii
List of Figures	viii
 <b>Chapter 1 Introduction</b>	
The Context	1
The Thesis	3
The Case Study	4
The Analytical Framework	7
Including Ideological Influences	9
The Structure	10
References	13
 <b>Chapter 2 Regulation Theory</b>	
Introduction	14
Regulation Theory	19
Concepts	21
The Regulation Approach to the State	25
Connecting the Regulation Approach and Education Policy	27
Connecting the State and Education	31
The Relative Autonomy of the Classroom	34
Conclusion	36
 <b>Chapter 3 Connecting the Research Problem, the Case Study, and Regulation Theory</b>	
– <b>Methodological Considerations</b>	
Introduction	39
Defining the Research Problem in Terms of the Regulation Approach	39
Introducing the Case Study	41
Factors Affecting the Case Study	44
Industrial Relations as a Heuristic Device	45
The Researcher as Participant	48
Specifics of the Research	53
Conclusion	56
 <b>Chapter 4 The Discourse of the PPTA – The Keynesian Welfare National State</b>	
<b>Educational Settlement</b>	
The Education Settlement of the KWNS	58
The Ideology of the KWNS Education Settlement	59
Theory and Educational Research within the KWNS	62
The KWNS Education Partnership	67
Discontinuities with the Discourse	69
 <b>Chapter 5 Teachers, Professionalism, Pay-fixing and their Union</b>	
Introduction	74
Teacher Professionalism	76
Teacher Professionalism and the State	78
Education Industrial Relations and State Pay-fixing	80
PPTA as the Voice of Secondary School Teachers	84

<b>Contents</b>	<b>Page</b>
PPTA and Accountability before the Reforms	89
The Professional Understanding of Accountability	90
The System Relating to Discipline Prior to Legislative Change in 1989	95
Addressing Teacher Competence as a Separate System	97
The Scott Committee	98
Conclusion	102
 <b>Chapter 6 The Interacting Discourse and Resulting Policies</b>	
Introduction	104
The Theoretical and Philosophic Components	105
Economic Rationalism	107
New Public Management	108
Public Choice Theory	109
Managerialism	113
Elaboration of Concept of Provider Capture	115
Accountability	118
Labour Market Reform	119
Specific Policy Mechanisms in the State Sector in New Zealand	120
The Influence of the Treasury Briefings on Policy Directions	121
Labour Market Restructuring in New Zealand	124
Review of State Pay-fixing	125
The <i>State Sector Act, 1988</i>	127
Conclusion	130
 <b>Chapter 7 Picot and <i>Tomorrow's Schools</i>: The First Encounter between Education and State Sector Restructuring</b>	
Introduction	131
Approaching Social Policy	131
The Picot Report	133
<i>Tomorrow's Schools</i>	139
Response of Teachers and their Educators to the Interacting Discourse	142
Conclusion	156
 <b>Chapter 8 Business as Usual and Portents of Change</b>	
Introduction	157
The Staffing Campaign	160
Pay Rises in a Changing Environment	162
The Conditions Initiative	166
The Classification Review – The PPTA's Answer to Managerial Accountability	168
Managerial Prerogative, Principals and the PPTA	170
Response to the Reform of State Pay-fixing	174
The 7% "Deal"	177
Conclusion	179
 <b>Chapter 9 The Long Negotiation – The First Year</b>	
Introduction	181
The 1987/88 Salary Round	185
Arbitration	194
The Results	195
Codification	200
The Picot Report and <i>Tomorrow's Schools</i>	205
Conclusion	209

<b>Contents</b>	<b>Page</b>
<b>Chapter 10 The Long Negotiation – 1989</b>	
– <b>Issues of Accountability: Managerialism vs. Professionalism</b>	
Introduction	211
Overview	211
The Strategic Environment for the Government and SSC	213
The Strategic Environment for the PPTA	215
SSC Preparation	217
PPTA Preparation	221
The Encounter	225
Stage One: Contracts for Principals and Ranges of Rates	226
Stage Two: Discipline and Competence	232
State Three: Legislation of Contracts for Principals	238
Outcomes	240
Conclusion	243
<b>Chapter 11 Concluding Remarks</b>	
Introduction	246
The Utility of the Regulation Approach for this Case Study	247
Dale’s “Black Box”	249
Using Industrial Relations as a Tool of Analysis	252
Contribution to the Body of Knowledge	254
<b>References</b>	258
<b>List of Interviewees</b>	273

## ABSTRACT

The purpose of this thesis is to examine the response of secondary school teachers to the *Tomorrow's Schools* education reforms. Their early response was made largely through their union, the Post Primary Teachers' Association (PPTA), in an industrial relations setting as the reform proposals were in development and taking their final shape. The interaction between the professional project of these teachers with the proposed reforms produced an outcome for secondary school education shaped by the interaction, rather than just by the reforms themselves.

A case study situated at the intersection of industrial relations, state sector and education restructurings during the period 1984 – 1989 is the focus of the thesis. The argument is located within French regulationist theory. The concept of the Keynesian Welfare National State provides a means for connecting education as part of the mode of regulation with the role of the state in New Zealand.

The Fourth Labour Government entered into a political project that shifted the role of the state in the economy and society. The roots of the project lay in the discourse of economic rationalism. Policy resulting from this discourse was put into operation through legislation affecting all parts of the state. In education, the discourse of economic rationalism introduced a new approach, the values of which were at odds with those of the previous education settlement of the Keynesian Welfare National State. The object of the thesis is to trace the process of change within the secondary schools sector of education through the years 1984 – 1989 as the two different sets of values interacted. The assumption is made that institutional change results from a dynamic interaction between new ideas and continuities and discontinuities with the past. This allows for the possibility of the effects of agency on public policy.

Analysis focuses on a series of industrial negotiations between the PPTA and the State Services Commission, the negotiating body for government. They took place as various government policy documents and resulting legislation altered the positioning of teachers within the state. The negotiations were of such a character that the educational discourses of economic rationalism and the education settlement of the Keynesian Welfare National State came into conflict and were debated at length. The thesis concludes that, by the end of the negotiations and despite the introduction of legislation on education, the values of secondary teachers remained substantially unchanged and in opposition to the intent of the government reforms.

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Time, technical assistance, and collegiality have been provided by the Centre for Labour and Trade Union Studies at the University of Waikato, the Management and Employment Relations Department at the University of Auckland, and, not least, Victoria University of Wellington. Both the PPTA and the SSC provided me with generous access to their files. The interviewees were stimulating in their willingness to enter discussion on what were historic and draining negotiations.

Thanks are due to Iris Hutchinson and Robin Peace, together and separately, for all those ground-shifting conversations over nearly 20 years. Joce Jesson made herself available whenever I needed to talk. Alison Jones provided me with advice and counselling about the process when I despaired.

Finally, I cannot adequately express my gratitude to the members of family and friends who have provided me with accommodation, proofreading, and other skills as they were needed, and generally encouraged and supported me through the process. They have also endured my talking about the thesis for far longer than they or I thought possible. They know who they are.

## ABBREVIATIONS

CSU	Combined State Unions
CTA	Combined Teachers' Association
KWNS	Keynesian Welfare National State
NPM	New Public Management
NZCER	New Zealand Council for Educational Research
NZEI	New Zealand Educational Institute
NZNO	New Zealand Nurses' Organisation
NZPPTA	see PPTA
PAC	Principals' Advisory Committee
POU	Post Office Union
PPTA	New Zealand Post Primary Teachers' Association
PSA	Public Service Association
RA	Regulation Approach
SPANZ	Secondary Principals' Association of New Zealand
<i>SSA Act</i>	State Sector Act, 1988
SSBA	Secondary Schools Boards Association
SSC	State Services Commission
SSCC	State Services Coordinating Committee
<i>SSCE Act</i>	State Services Conditions of Employment Act, 1977
SSR	Secondary Staffing Report
SWPR	Schumpeterian Workfare Post-national Regime
TRB	Teachers' Registration Board

## LIST OF FIGURES

<b>Figures</b>	<b>Pages</b>
Figure 1: Structural Adjustment in New Zealand	8
Figure 2: Levels of Analysis	28
Figure 3: The Triangle of Tension: State, Capital and Civil Society	30
Figure 4: Relationship between the Case Study and the Regulation Approach	42
Figure 5: Education and the 3 Conditions for the Social Existence of Capitalism	63
Figure 6: Structures Reinforcing the KWNS Partnership of Education	87
Figure 7: Policy Consequences of Public Choice Theory	113
Figure 8: Timeline of State Sector Restructuring and the Long Negotiation	141
Figure 9: Scope of Concerns for the PPTA and the SSC	185



# **Chapter 1**

## **Introduction**

### **The Context**

From the time of the first oil crisis of 1973, Western capitalist nations entered a period of economic change with the increasing realisation that the prosperous and expansionary times of the Keynesian Welfare National State had come to an end. At the same time, internationalisation, or, as it has been increasingly called, globalisation of world economics accelerated. This change has been increasingly theorised as the ending of one dominant phase of capitalism and the transition to another. The new phase has been variously termed postmodernism, post-Fordism, 'New Times', flexible specialisation (Amin, 1994; Harvey, 1989).

Associated with the economic changes has been a shift in the role of the state in mediating between the economy and supporting social institutions (Offe, 1984; 1985). The state's role in the provision, funding and regulating of social services and in labour market regulation within welfare states has been fundamentally challenged. Since the 1970s, governments of Western countries have been restructuring their economy, labour market and social services according to a belief that a less regulated market will operate more efficiently and effectively in these areas. Countries have differed in the extent and the means by which the market has become the regulating factor.

Underlying the reforms has been a philosophical approach to the economy and society which has been termed variously the New Right, neoliberalism, neoclassicism, economic rationalism, and monetarism (King, 1987; Levitas, 1986; Marginson, 1993). The ideology associated with this philosophy has been acknowledged as a powerful factor in providing an alternative view towards economy and society to that of the Keynesian welfare state. Again, however, the extent to which governments have adopted these views has varied.

New Zealand was no exception to other countries with a strong welfare state. It did, however, come to restructuring later than others. It was not until the Fourth Labour

Government was elected in 1984 that a change in the role of the state was achieved by introducing less regulation to markets in the economy and in the provision of social services. While restructuring of institutions with a deregulatory emphasis continued through into the 1990s with the National Government that took power at the end of 1990, the amount of restructuring and the speed with which it occurred in the six years under the Labour Government has been remarked upon (Boston, Martin, Pallot & Walsh, 1991; Holland & Boston, 1990; Kelsey, 1995). This was a deliberate strategy of the architect behind the liberalisation of the economy, Minister of Finance, Roger Douglas. His well-known speech to the Mount Pelerin Society on 25 November 1989 sets out the principles he adopted in achieving reform. He lists speed, quantum leaps and keeping the momentum rolling, amongst others, as essential to the way in which the Labour Government achieved structural reform (Douglas, 1989).

What singled out New Zealand for special attention internationally was the strong theoretical justification for all the reforms, enunciated by part of the state, the Treasury (1984, 1987). These theories were situated within the economic rationalist framework. Policy from within this framework was successively applied to the economy, industrial relations, machinery of government, state sector industrial relations and to structures of governance in social services by the Fourth Labour Government. The cumulative effect was to shift the role of the state.

The first three years of the Fourth Labour Government saw restructuring of the economy and attention paid to state commercial trading activities. These were first corporatised and commercialised. Privatisation for many of the state-owned enterprises thus formed came in the second term of the Government (Boston et al., 1991). The first term, also, saw the introduction of some degree of deregulation of the labour market (Walsh, 1989b).

*The State Sector Act, 1988* introduced changes to the machinery of government and associated personnel and industrial relations structures (Walsh, 1991b). These were followed by restructuring of social policy through a series of review committees or task forces headed by those with business or management expertise (Koopman-Boyden, 1990).

This thesis examines the effect of the reforms on secondary teachers and their professional organisation, the Post Primary Teachers' Association (PPTA).

## **The Thesis**

The study of the education reforms in the schools sector of the fourth Labour Government in New Zealand has produced an impressive body of knowledge that includes the influences on and the effects of the change. The literature has both influenced and been influenced by an international literature analysing similar changes in American and European nation states. Various disciplinary approaches have also been brought to bear on the issues. Recent collections that give an indication of the range of concerns are Olssen & Matthews (1997), Halsey, Lauder, Brown & Wells (1997), and Thrupp (1999).

A similar body of knowledge is available that analyses the entire project of state sector restructuring that the Fourth Labour Government carried forward in the six years they were in power and continued by the National Government from 1990. In this literature, the education sector reforms have been placed within the wider state sector context. Jonathon Boston has been influential in situating the restructuring project within a public policy framework, both in analysis and in producing collections of work (for example, Boston, Martin, Pallot & Walsh, 1991; 1996; Boston, 1995). Others have extended this public policy analysis to broader concerns of political economy and the state (for example, Easton, 1997; Holland & Boston, 1990; Roper & Rudd, 1993, Rudd & Roper, 1997). Jesson (1989) and Kelsey (1993, 1995) have produced analyses, critical of the Labour Government reforms, from the political critique of the Left.

The state sector reforms, which included those of education, contained radical restructuring of industrial relations along with other public policy. Pat Walsh has been indefatigable in recording and analysing the changes in industrial relations in both the state and the private sector as they occurred (a small sample only is 1988, 1989a, 1989b, 1990, 1991a, 1991b, 1993, 1997).

The aim of this thesis is to contribute to these literatures by combining the three traditions of analysis in the consideration of a case study situated in the schools sector of industrial relations during the period 1984–1989. It will be seen in the study of the union party that as much attention needs to be paid to teachers' attitudes to education as it does to their industrial goals. Similarly, study of the employer party during this period can not focus only on their goals in industrial relations, but must also take into consideration the context of state sector restructuring. The case study, therefore, provides an opportunity to observe

all three restructurings, education, state sector and industrial relations, simultaneously in their intersection.

It is surprising that in theorising about the New Zealand education reforms, on the whole commentators have not looked at the written records of the time as to how teachers themselves reacted to the reforms, nor at the effect of the different approach to education on their image of themselves as professionals as the reforms progressed. Important exceptions in their scrutiny of industrial relations for insights into the reforms are Gordon, Jesson, and Robertson. Gordon early asked the question as to what effects the reforms would have on the teachers' unions (Gordon, 1988). Jesson produced an intensive study of the Post Primary Teachers' Association (PPTA), the union covering secondary school teachers, between the years 1983 and 1993 (Jesson, 1995). She used interviews after the events to investigate the strategic union positioning of PPTA and teachers in relation to the state. She has continued to work in this tradition (Jesson, 1999, 2002). Robertson (1994, 1999) has laid particular emphasis on the changing nature of teachers' labour since the reforms. Insights from these and other works in education have acknowledged the importance of state sector restructuring to a full understanding of the education reforms.

However, Rae has seen the significance of analyses that do not privilege one set of restructurings over another. He points to the equal significance for the education reforms of industrial relations (Rae, 1991) and state sector restructuring (Rae, 1995) and argues that analysis of the resulting reforms must reflect the complexity of their interaction. This thesis continues in this tradition. Marginson (1997b), in a comprehensive study of the interacting influences on Australian education and their trajectory for the same period, includes insights of Marxist political economy and post-structuralist social and cultural theory. This thesis attempts to use similar tools in analysing the coincidence of the restructurings in a case study.

### **The Case Study**

The case study analyses the interaction between two parties to a series of negotiations over pay and conditions during the period 1984 – 1989. One party is the Post Primary Teachers' Association (PPTA) and the case study first traces its industrial successes through the years 1984 - 1987. The confidence the successes gave the union and the structures put in place to achieve them were then turned strategically into defensive industrial positions in the face of radical restructuring by the Government. The other party was the State Services

Commission (SSC) which held legislative responsibility for negotiating with the PPTA on the Government's behalf. Throughout the period, it also held responsibility for restructuring the state sector in support of government policy goals.

1987–1989 saw a series of negotiations between the SSC and the PPTA, associated with the new personnel and industrial relations regimes proposed by and put in place by the Government through legislation. Although there were three sets of negotiation during this time, the SSC and the PPTA were in almost continuous negotiation. For this reason, the negotiations for the two-year period from October 1987 to October 1989 have been called generically the Long Negotiation.

The events of the case study are thus traced through the years of 1984–1989, from the election of the Fourth Labour Government in July 1984 to the implementation of policy on education on 1 October 1989. Scrutiny of these events demonstrates that the PPTA had difficulty separating industrial goals from the widest considerations for secondary education. Likewise, the SSC was involved not only with the negotiations and the need to achieve settlement, but also with designing and then implementing the broadest goals of state sector restructuring.

In situating these within the literatures described above, it can be seen that observation of the events of the case study involves a consideration of education and associated restructuring, the state sector and associated restructuring, in an industrial relations setting that was also restructured at the time of the events.

The particular case study has been chosen because it possesses some distinctive features. First, it provides the opportunity to consider the response made by a group of professionals to a radical programme of state restructuring, underpinned by a managerialist agenda. The analysis draws upon the collective voice of teachers,<sup>1</sup> expressed through the PPTA. Justification for regarding the written records of the PPTA as the collective voice of teachers as a whole will be made in Chapter 5. Second, the PPTA opposed much of the policy reform of the Labour Government. It was outspoken in this opposition and either protested or mounted industrial action against many of the proposals. This provides an opportunity to view the reforms as the outcome of an interaction of new ideas and policy

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<sup>1</sup>The term teacher will be used to denote secondary teacher throughout the thesis. Where primary teachers are discussed, the term primary teacher will be used. This is in the interests of brevity and does not indicate use of the generic term to include primary teachers.

with the ideas and policy of the previous regime. The initiating reforms were contested and the result was the outcome of a struggle rather than the imposition of an ideology on passive recipients.

Third, the case study is of a number of different negotiations where the difference between two discourses was palpable. The bargaining table in industrial negotiations is always the site of struggle between differing interests but those in the case study saw the negotiation and struggle in a real sense over the vision of education which would prevail in the future. In other words, the negotiations were a conflict over education principles of the Keynesian welfare state as expressed by teachers through their negotiators and supported by industrial action, and new principles of education expressed by the SSC, the government's negotiating body. The bargaining table in this instance therefore becomes a means of deconstructing the discourse of each other. Because of the PPTA's opposition, the bargaining table served to establish what the differences were between the old and the new perspectives and their magnitude. Fourth, the case study is situated within the state and provides an opportunity to observe the process by which change within the state occurred.

All of these features can be drawn on to address the question of how change could be effected within the New Zealand state in support of a new project when, a short time previously, the project lay within the principles of the Keynesian welfare state. For this reason, the primary focus of analysis of the case study is on the PPTA and its response to the Government reforms. This is not to suggest that the SSC claims were of less interest or that the Government project was uncontested within the Labour Government itself. However, this is not the primary interest for this thesis. Rather, attention is focused on those who were objects of the reforms, with the intention of making transparent the process through which these teachers passed in being subject to a shift in government from one view of education to another.

The industrial relations environment is therefore not used to mount an industrial relations critique of the negotiations. The intention is rather to observe the process and to use the insights to establish key continuities and discontinuities with the past. The reforms are then not viewed as a sudden break with the past. The teachers carried aspects of the past with them in interaction with the reforms and into a future different from the intent of the reforms because of that interaction.

Again, the argument of the thesis does not attempt to resolve the real differences between the interacting discourses, especially as the parties themselves did not resolve them. For example, at the beginning of the period there was a strong partnership in education between the Department of Education, the PPTA, and sometimes the Minister of Education. This was regarded as a positive part of education in the Keynesian welfare state. The reforms, however, labelled this partnership as provider capture, the result of self-seeking behaviour on the part of bureaucrats and teacher practitioners. These differences are observed in the thesis, without assessing the validity or otherwise of the different views. Emphasis is on the results of the interaction of the opposing views, each of which was valid in its own framework.

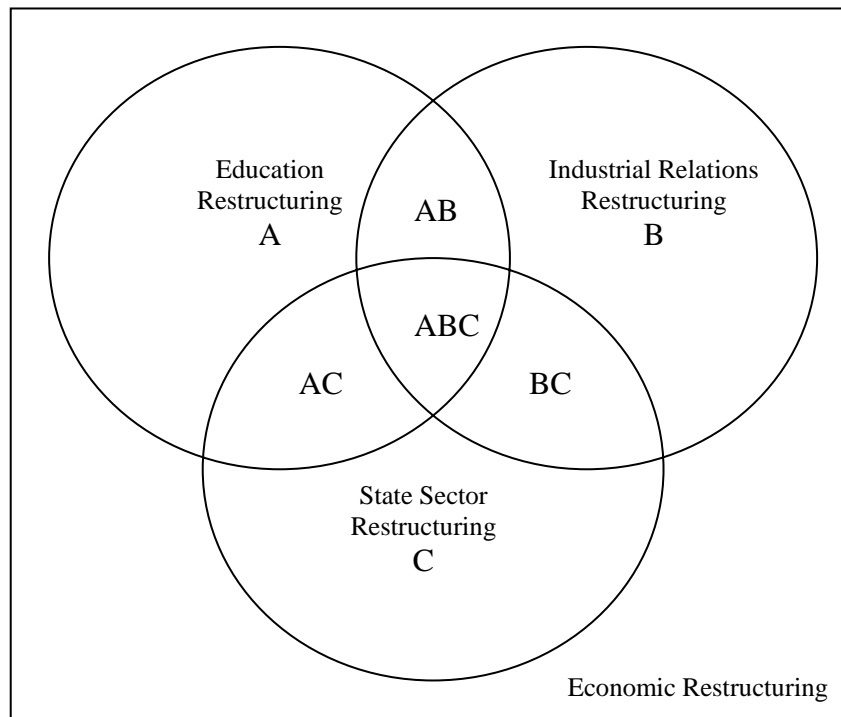
The precise nature of the research question and methodology that will be drawn on to utilise these distinctive features is specifically related to the theoretical perspective chosen, the regulation approach, and is therefore placed in Chapter 3 after the discussion of the regulation approach in Chapter 2.

### **The Analytical Framework**

The case study illustrates the processes of change during the restructuring of the state under the Fourth Labour Government. It lies at the centre of interaction of old and new ideas about the practice of education as part of the state project. Through the case study, the process of change and the encounter of two different approaches to the proper involvement of the state in administering the political economy are made transparent. Evidence will be provided that although the teachers did maintain theoretical and practical opposition to the changes and retained significant ground as a result of the struggle, the outcome still represented a repositioning of teachers from central and influential players in education policy, to marginal influence over education as employees of individual Boards of Trustees, with views confined to the classroom. Whereas at the end of the period the teacher unions were in defence of what they termed their professional position, during the earlier stages they had believed that their professional agenda could defeat the government project.

The accompanying diagrammatic representation of the intersection of the three restructurings under consideration and the economic changes in which they were embedded is designed to illustrate the complexity of the circumstances the argument of the thesis seeks to address (Figure 1). It is a pictorial tool with which to represent the weaving

together of different strands of explanation. Each strand is necessary to explain the events of the case study but is not sufficient alone.



**Figure 1: Structural Adjustment in New Zealand**

The three overlapping areas, A, B, and C, in Figure 1 represent the spheres of influence on the case study. These were state sector restructuring, industrial relations restructuring, and education restructuring. Each contributed to the events of the case study a dimension in which were situated critical continuities and discontinuities with the past. The rules for conduct of the negotiations, the respective roles of the parties and their rights and responsibilities were all changed. Almost no aspect of structures and processes of the sites was the same as before. The purpose of the thesis is to understand the enormity of change by tracing the historical development of each sphere of influence with respect to its influence on the case study.

It is possible to discuss the case study within the context of state sector restructuring (Walsh, 1991b). It is also possible to discuss the case study within the context of industrial



relations restructuring in the state (Walsh, 1990). The case study has also been sited within education restructuring (Jesson, 1995). The case study can be understood fully, however, only by studying the three restructurings simultaneously. This was the experience of the negotiators, and outcomes can be understood only through the three influences, rather than one or another. For example, the industrial legislation changed from the *State Services Conditions of Employment Act, 1977*, in operation in 1987, to the *State Sector Act, 1988* which placed state sector industrial relations under the *Labour Relations Act, 1987*. All three pieces of legislation had relevance and the legal influence of each on the conduct of the negotiations had to be balanced throughout. These operated in the areas containing AB in the figure. Members of PPTA were also experiencing education restructuring but were attempting to impose their will on the shape it would take through their industrial negotiations. They saw the areas containing A, the whole of education<sup>2</sup>, as their proper concern. For the SSC, the programme of restructuring the machinery of government as well as industrial relations was important. This operated in the areas containing C in the figure.

All the areas containing A represent the education area in which PPTA had been influential and regarded as its proper sphere of influence. The intent of the government's policy proposals was to confine PPTA to a union role only in AB and ABC the overlapping part of education and industrial relations. After the *State Sector Act* had taken effect, the only relationship the PPTA could have with the rest of the state was in its role as a union and only over industrial relations matters.

It is in the central point of intersection, ABC, that the full complexity of the case study is observed. The story told in this thesis seeks to trace the different historical strands which culminated in the 1989 negotiations. In doing so, the process of continuity and discontinuity with the past can be observed and the extent to which the outcome differed from the past can be assessed.

### **Including Ideological Influences**

The case study was also a discursive interaction of two alternative views of the way in which education should operate. Before the restructurings the ideology or discourse of

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<sup>2</sup>Again in the interests of brevity, education, unless otherwise specified, will be taken to mean secondary education in schools throughout the thesis.

education associated with the Keynesian welfare state pertained. The interacting discourse was that of economic rationalism. For the period of the case study these two discourses interacted with each other. The shape of education from 1989 was influenced by this discursive interaction as well as by the changes in structures and processes brought about by the education reforms.

The interacting discourse or ideology alone could not bring about change in state activities such as education. It was accompanied by support from the government of the day and expressed first in policy documents and then in legislative changes such as the *Labour Relations Act, 1987*, the *State Sector Act, 1988*, the *Public Finance Act, 1989* and the *Education Amendment Act, 1989*. However, institutions do not change overnight. The change in laws, rules and regulations interacted with a regime whose institutions had a bureaucratic history, jurisprudence established under earlier laws, and personnel accustomed to operating within a societal consensus of values that was often at variance with the new values. Only the process of a period of interaction between the old and the new would determine the values of the ongoing compromise. The initiating and interacting discourse would evolve into something different from the intent of its own reforms, along with the discourse of that with which it interacted.

In education, the years 1987 - 1989 in which the Long Negotiation between the SSC and the PPTA took place provide an opportunity to observe part of this period of interaction in a subsection of the education system. Institutions were in the process of change within the constraints set by the legislation. The PPTA itself was legislatively changed from a professional body to a union. This was justified by an ideological framework that negated many of the values held by secondary teachers of the time. The PPTA opposed much of the content of the reforms in education and, by the end of the negotiations, had not altered that opposition.

This approach to institutional change, incorporating a consideration of values, will be expanded on along with the regulation approach in Chapter 2. The treatment of discourse has been to let the literature and policy documents speak for themselves (Eagleton, 1991).

## **The Structure**

The thesis is in three parts. Chapters 1, 2, and 3 state the problem, establish a theoretical perspective and address methodological issues. Chapters 4, 5, 6, and 7 are concerned first

with the education settlement of the KWNS and associated practices and then the interacting discourse of economic rationalism and associated policy proposals. Chapters 8, 9, 10 and 11 trace the process of the case study and use the results to reflect back on the theoretical and research questions asked at the beginning.

Chapter 1 has taken an overview of the argument attempted in the thesis, situating it in the widest economic, political and social context. The case study has been introduced along with an analytical framework for dealing with the complexity. This includes a means by which two different discourses can be included and analysed within the complexity.

Chapter 2 sets the concerns of the thesis in a theoretical framework that can take account of this complexity. Regulation theory has at its core a concern with how capitalist expansion is secured along with supportive social institutions in an unstable system with an inherent tendency towards crisis and change (Boyer, 1990). In particular, regulation theory has played a part in contributing to the debate on the assumed transition of Atlantic Fordist states from the generalised Keynesian Welfare National State (KWNS) to another regime, labelled tentatively by Jessop (2001b) as the Schumpeterian Workfare Postnational Regime (SWPR). The theory makes use of two concepts, the regime of accumulation and the mode of regulation. This allows emphasis to be placed on institutional change as a result of a multiplicity of causes and effects.

Jessop (1990) has identified an underdeveloped concept of the state within regulation theory. Education has been situated in this theoretical perspective as part of the mode of regulation by Dale (1991). Chapter 2 develops this analysis to position teachers as part of the state in its education project. This positions the case study as a means for tracing change within the state itself.

The regulation approach is also a methodology (Jessop, 2001a). He argues that it is an exemplar of critical realism. This is not accentuated in the chapter on methodology but forms an assumption through the thesis. Chapter 3 is concerned with setting out the research question in the context of the theoretical perspective discussed in the chapter before. The specifics of the methodology associated with using the case study are set out here. Also addressed is the problem of the researcher of this thesis having been a participant in the negotiations that form the case study.

Chapters 4, 5, 6, and 7 serve a dual purpose in attempting to situate each party to the negotiations in the assumptions that form the background to their claims and strategies as well as situating the discourses in the relevant literature. This is done on the assumption that the history of particular institutions contributes to the direction change takes. They are chronological in the sense that they deal first with theory and practice in the KWNS and then with those of the interacting discourse.

Chapters 4 and 5 analyse aspects of the education settlement in New Zealand. Chapter 4 attempts to describe the place education occupied as part of the mode of regulation with the KWNS. This included a strong partnership, sometimes involving the Minister of Education, between the Department of Education and the teacher unions. The goals of education in the KWNS are related to literature of the period and to the functions of a capitalist state. Chapter 5 grounds and extends this analysis into how the KWNS approach to education affected the operations, policies and concerns. The professional project of the PPTA discloses a strong concern with standards of entry to the profession, classification procedures and processes for setting standards of teacher behaviour and calling them to account when they are not met. Justification is made for regarding the PPTA as the collective voice of secondary teachers. These are all related to the system of state sector industrial relations as it pertained prior to restructuring by the Labour Government.

Chapter 6 investigates the theoretical roots of the economic discourse that became prominent after the election of the fourth Labour Government and discusses similarities and differences with the policy approach to machinery of government issues of the same period. The programme of government legislation that led to the restructuring of all parts of the state is outlined and related to these theoretical approaches and policy directions. Chapter 7 analyses the policy documents that related specifically to education and draws the conclusion that they differed in some ways from the coherence displayed in other documents relating to restructuring of the state. A review of the literature commenting on the education reforms is also given here. Chapter 7 also portrays the first encounter of education with state sector restructuring, the areas containing AC in Figure 1.

Chapters 8, 9, and 10 trace the process of change through the case study. Chapter 8 predominantly deals with the success of the PPTA's professional project through 1984 - 87 at a time when they were still in partnership with the Department of Education. The Minister of Education at that time, Russell Marshall, was in sympathy with the goals of that project.

Chapter 9 deals with the effects on that project of both state sector and industrial relations restructuring and starts to portray the effects of the restructurings on the education settlement.

Chapter 10 concentrates on the 1989 negotiations that followed the issue of government policy on education, *Tomorrow's Schools*. The negotiations became narrowly focussed on just four issues. An explanation of why this was so and a portrayal of the negotiations as a struggle between the two discourses is made. The outcome is assessed.

Chapter 11 concludes by using the outcomes of the negotiations to reflect back on the theoretical and analytical tools used through the thesis.

## **References**

The convention adopted throughout the thesis is that footnotes are reserved for notes proper and for references to primary sources. In-text referencing and the reference section at the end are according to the rules of the American Psychological Association (APA). A reference list of sources used has been provided rather than a bibliography of sources consulted.

## Chapter 2

### Regulation Theory

#### Introduction

The work is situated theoretically in political economy; that is, in an integrated perspective of the economic-political-social process. The empirical case study which it considers arises from public policy; that is, a concern with the practice of making and regulating the political economy. The policy context for the case study lies in the intersection of industrial relations in the state sector with the machinery of government, and education.

A broad range of different theoretical perspectives therefore informs the work. The argument forms a complex interweave of components drawn from a number of different literatures. The specific case study provides an opportunity both to synthesise these different perspectives and, subsequently, to reflect back on the separate theoretical components. This chapter is concerned with establishing an overarching theoretical perspective to which the others can be related.

Rather than confining attention to the industrial relations events and using the case study to explore and reflect on industrial relations theory and its application to the events, the exercise has been about making connections across the industrial relations, social, political and economic contexts of the events. The role of the state in these connections is explored. A consideration of Dunlop's systems theory as outlined in his 1958 study, *Industrial Relations Systems*, illustrates this point. Dunlop's theory has been influential within the development of the study of industrial relations (Meltz, 1993). One of the aspects of his theory is the use of the concept of a common ideology. While it could be argued that the theory might be useful in analysing the case study because ideology within an industrial relations site is involved, the emphasis of the whole thesis is on breaking out of the confines

of industrial relations and making connections across disciplinary boundaries. Regulation theory has proved useful in doing this.

Regulation theory appears promising as the broadest theoretical perspective for two reasons. One is the integrated approach and broad sweep of scrutiny of the theory towards all parts of the economy and society. The other is that the central concern of regulation theory is how stability of any particular economic and social order is achieved and maintained. Attention and research within this theory have been focussed on the period since the mid-1970s and what is argued to be a time of transition from one distinct phase of capitalism to another (Amin, 1994:1).

Latterly, also, the regulation approach has been usefully combined with other theoretical approaches of relevance to this thesis. For example, Jenson (1999) has combined neo-institutionalist and regulation approaches in political economy and Lewis has used the approach in policy analysis (Lewis, 1999). Jessop has related the work of the regulationists to the state (1990) and to public policy and governance (1994b; 1995).

The intention here is to set out regulation theory in sufficient detail to establish its relevance to the case study. More specific theoretical contexts, relating particularly to education and industrial relations as they apply to the state, and the application of neo-liberal views to the state will be covered in subsequent chapters.

In placing the case study in this context, however, some innovative approaches to regulation theory will need to be taken. This is particularly true in respect of consideration of education as part of the mode of regulation, and in treatment of the state as inclusive of state sector industrial relations. The process by which education affects and is affected by other parts of the mode of regulation is not obvious. While some assertions are made at the outset regarding these questions, their legitimacy will be assessed in the concluding chapter.

Before outlining the main features of the regulation approach, the assumptions about economics and the society in which it is embedded will be sketched in.

To say that the regulation approach derives from Marxism immediately problematises the setting. Much research in social science is situated against an unspecified epistemological background that leaves unexamined the assumptions contained within the concepts that are being used. The value positions of the researcher are left unexamined (Sayer, 1984; Ozga, 2000). By its very nature, social science research cannot be carried out by a researcher divorced from language and the social relations s/he seeks to observe. Results are therefore constructed within a social context (Sayer, 1984).

Because of the somewhat tenuous position the Marxist approach occupies within mainstream Western intellectual thought, the laying out of basic assumptions may seem pedantic and defensive. However, it is part of the critical approach that is inherent in the Marxist perspective itself. A Marxist perspective not only seeks to provide explanations of phenomena it observes, but also to reach a level of explanation of greatest practical adequacy (Sayer, 1984). This involves questioning value assumptions at the deepest possible level. As Cox (1980:128) says:

Theory is always *for* someone and *for* some purpose. All theories have a perspective. Perspectives derive from a position in time and space. The world is seen from a standpoint definable in terms of national or social class, of dominance or subordination, of rising or declining power, of a sense of immobility or of present crisis, of past experience, and of hopes and expectations for the future. Of course, sophisticated theory is never just the expression of a perspective. The more sophisticated a theory is, the more it reflects upon and transcends its own perspective, but the initial perspective is always contained within a theory and is relevant to its explication. There is, accordingly, no such thing as theory in itself, divorced from a standpoint in time and space. When any theory so represents itself, it is the more important to examine it as ideology, and to lay bare its concealed perspective.

A capitalist society is one in which commodity production is structured in order to produce value. Value is produced by the investment of money capital in the production process that transforms the capital into commodities that are then sold on the market for an increase in value. Capitalism is therefore maintained by the continuing cycle of production of commodities and their value realisation. Profits thus generated are recycled back into maintaining the cycle. An intrinsic feature of capitalism is competition between the various cycles of capital, be it at the level of



the firm or nationally. This leads to a basic contradiction contained within capitalism itself. Competition between individual capitals leads to the tendency for the basic rate of profit to fall (Mandel, 1978). Individual producers of commodities will adopt short-term strategies to maintain competitive advantage, but this may not be in the interests of the maintenance of the capitalist system as a whole (Marx, 1930).

Both orthodox and Marxist economics recognise that capitalism enters recurring periods of crisis. The project of orthodox economics is to explain these recurring crises and to work towards eliminating them. Traditional Marxist economics, however, while also seeking to explain recurring crises, sees crises as endemic in the contradictory tendencies of the capitalist system itself.

The regulation approach evolved during the 1970s as a world economic crisis deepened after a post-war period of stability of comparatively long duration. From a concern with developing explanations for the causes of crises, the regulation approach inverted the problematic and began to seek reasons for, within the contradictory tendencies of capitalism, the existence of periods of stability. In particular, early regulationists used the concepts to try and explain the period of post-war stability and subsequent economic uncertainty of the 1970s and the crisis of 1987. Explanations were sought for the particular conjuncture of events and their different resolutions in different nation states. The approach has resulted in attempts to produce holistic explanations of crises that incorporate economic, political and social components.

The regulation approach has been closely associated with the periodisation of recent models of development into Fordist and post-Fordist. Transformation and change in the structure and organization of Western democracy and society have occurred over the last 30 years. Different economic, societal and political norms now seem to operate. It is argued that a distinction can be drawn between the institutions of Fordism and the way they mutually reinforce each other and those of an emerging model of development, labelled post-Fordism. This conceptualisation is not unchallenged and the debate surrounding the concept of post-Fordism used to

describe the new phase is one in which regulation theory has taken part (Amin, 1994).

### *Industrial Paradigm and Model of Development*

The adjective *Fordist* has been applied to the post-war period in Western capitalist countries and to the various economic, political, social, and labour process components of them. It has been variously used to denote material processes of the assembly line, specific class political compromises, state forms and governance mechanisms, and the whole social/cultural mix associated with the production and consumption patterns in nation states. It can also be used to denote a political project (Harvey, 1989).

Fordism is so called because the assembly line of Henry Ford's car factories became symbolic of the type of production used in Western capitalism. The organisation associated with this type of production combined mass production of consumer items, assembly-line techniques and the scientific management of Taylorism. After the Second World War, capitalist markets depended largely on the increasing prosperity of the working class and the increase of consumerism within that class. It was a period of mass consumption alongside mass production. Alongside mass production and mass consumption went scientific management of work processes. Separation of mental and manual skills in production was a consequence. At the level of the state, control was exercised over markets and civil society by bureaucratic work processes with a focus on rules and procedures.

Merkle (1980) argues that before the development of scientific management, capitalism consisted of workers and the owners of capital and that work specialisation and alienation of mental and manual skills of workers was not a necessary outcome. Taylor's ideas, however, introduced the need for a new class of worker, the manager, which enabled the middle class to create a place for themselves in industrial society mediating between the workers and owners of capital. Merkle further argues that this production of a technocracy occurred throughout the world, wherever the operation of Fordist mass production was

found, even in the USSR. It has also been argued that this separation of mental and manual labour had important consequences for education. The complementary emphasis on the bureaucratic state produced varying forms of the welfare state.

As the Fordist compromise began to break down from the time of the economic crisis in the 1970s, attention has been increasingly devoted to analysing the components of what is argued to be a new phase of capitalism, post-Fordism. Harvey (1989:147) describes this as flexible specialisation, resting on flexibility with respect to labour processes, labour markets, products, and patterns of consumption. However, rather than regard post-Fordism as another period of stability, Harvey argues that the economy, society and culture are still in a period of transition. This assumption of transition in and emergent institutions of an as yet unsettled form of capitalism has continued through to the present (for example, Jessop, 2001). It is the assumption adopted in this thesis. The process of disintegration of the Fordist compromise within education in New Zealand is traced, but without assuming a new settled form of capitalism has taken its place.

## **Regulation Theory**

The regulation approach has intellectual roots in Althusserian Marxism (Jenson 1987). Jessop (1990: 50) summarises Althusserian structuralism thus:

... it firmly rejected all belief in an individual or class subject endowed with consciousness, reason and free will as well as all forms of economic determinism that posited economic forces as the autonomous motor of social development. Instead, it substituted the concept of a complex structured whole with causal priority over its economic, political and ideological parts, and also asserted that individuals functioned merely as the passive ... 'supports' of social relations which were essentially self-reproducing. ... it is argued that a mode of production (and, by extension, a society) is a complex structured whole, comprises several relatively autonomous regions which none the less condition each other. ... The Althusserian approach ... reject[s] crude economic determinism and explor[es] the connections between the economic and political moments or regions of the capitalist mode of production. ... the Althusserian approach ... tends to focus on the specific properties of the several regions as if they were autonomous.

Alain Lipietz, an early theorist of the regulation school, in an interview (Jenson, 1987) described the break with Althusserian thought as lying in the rejection of the notion of structures without subjects, without contradictions, and without crisis. Althusser's concept of reproduction could not explain why contradictions sometimes produce stability and sometimes they take on a configuration where reproduction becomes impossible. Under Althusserian structuralism, the use of the term *reproduction* was either in the sense of a self-perpetuating invariant or that of an outcome to social contradictions that was in some way predictable (Aglietta, 1979). Althusserian Marxism was found to be deficient in that economic structures were supposed to maintain themselves without effective social agency and without significant transformation (Jessop, 1990:307).

Early regulation theorists therefore engaged with economics from a neo-Marxist position but with added consideration for the social processes that secure capitalist expansion within any specific society. Unlike traditional Marxism, regulationists deny a single logic of capitalist development. Gone is the idea that there is 'one' capitalism that needs explaining and that is in the process of developing into another economic system. Rather there are capitalisms whose development "is always mediated through historically and culturally specific institutional forms, regulatory institutions and norms of conduct" (Jessop, 1990:309). The close connection and the interaction of the economic, political and social within traditional Marxism is retained but the regulationist concepts of accumulation regimes and modes of regulation are not assumed to precede struggle or determine outcomes. Nor is there a simple correspondence between the economic and the institutions that exist alongside it. Institutions are created out of past struggles and continuing struggles in the present. Specific institutions are temporary and can contain and limit the basic conflicts of capitalism for a period, but not forever.

The concept of institutional or structural forms is therefore central to regulationists' work. They differ from the institutional school, however, in that they espouse the Marxist emphasis on institutional forms deriving from the commodity relation, the labour-capital relation, and the interaction of the two (Boyer, 1990). Definitions of their central concepts arise from this emphasis.

## Concepts

Because the regulation approach is relatively new, arising in the late 1970s and 1980s, and conceptually complex, both theory and concepts are still evolving. Jessop (1992) identifies at least seven different regulationist schools. This thesis follows the school of the French Regulationists. Their concepts have been useful in addressing the multiplicity of signs of change in labour processes, in consumer habits, in geographical and geopolitical configurations, in state powers and practices since 1973 (Harvey, 1989:121). In particular, the complex interaction of work processes, labour/capital relations, production and consumption that have all been subsumed under the headings of Fordist and post-Fordist has been usefully addressed by the regulation approach.

Jessop (2001a) has identified five important concepts for the regulation approach. These are regulation, an industrial paradigm, an accumulation regime, a mode of regulation and a model of development. *Regulation* is a complement to the Marxist notion of reproduction and refers to regulatory mechanisms that successfully resolve conflicts until tensions within different institutions can no longer be resolved. *Regulation* has the meaning of regularisation or normalisation. An *industrial paradigm* is a model describing the technical and social division of labour. An *accumulation regime* is formed by a complementary pattern of production and consumption that is reproducible over a long period. A *mode of regulation* is an emergent ensemble of norms, institutions, organisational forms, social networks, and patterns of conduct that can stabilise an accumulation regime. When an industrial paradigm, accumulation regime, and a mode of regulation complement each other sufficiently to secure for a time the conditions for a long wave of capitalist expansion, this is called a *model of development*. Jessop identifies the model of development as the most concrete-complex concept of the regulation approach.

It is important to note that these concepts are not necessarily mutually exclusive. For example, the regime of accumulation and mode of regulation can be regarded

as different lenses through which to view the complex interaction of economic, political and social change. Likewise, the industrial paradigm consisting of a model of the technical and social division of labour can constitute a specific focus for consideration. It can also be used to describe a distinctive pattern of production and consumption but in addition may be employed to denote the overarching model of development. The terms Fordism and post-Fordism are examples of this.

### *Regime of accumulation and Mode of Regulation*

Harvey (1989:121), citing Lipietz in parts, succinctly portrays the interrelationship between the concepts of regime of accumulation and mode of regulation, as well as the comprehensive sweep of their scrutiny.

A regime of accumulation describes the stabilization over a long period of the allocation of the net product between consumption and accumulation; it implies some correspondence between the transformation of both the conditions of production and the conditions of reproduction of wage earners. A particular system of accumulation can exist because its schema of reproduction is coherent. The problem, however, is to bring the behaviours of all kinds of individuals – capitalists, workers, state employees, financiers, and all manner of other political-economic agents – into some kind of configuration that will keep the regime of accumulation functioning. There must exist, therefore, a materialization of the regime of accumulation taking the form of norms, habits, laws, regulating networks and so on that ensure the unity of the process, i.e. the appropriate consistency of individual behaviours with the schema of reproduction. This body of interiorised rules and social processes is called the mode of regulation.

Boyer (1990:35) defines a regime of accumulation as the set of regularities that ensure the general and relatively coherent progress of capital accumulation.

Boyer (1990:43) uses the mode of regulation to:

Designate any set of procedures and individual and collective behaviours that serve to:

- a) Reproduce fundamental social relations through the combination of historically determined institutional forms;
- b) Support and “steer” the prevailing regime of accumulation; and
- c) Ensure the compatibility over time of a set of decentralized decisions, without the economic actors themselves having to internalise the adjustment principles governing the overall system.

Amin (1994:8) uses less abstract terms in discussing the regime of accumulation and the mode of regulation.

[The regime of accumulation] includes norms pertaining to the organization of production and work (the labour process), relationships and forms of exchange between branches of the economy, common rules of industrial and commercial management, principles of income sharing between wages, profits and taxes, norms of consumption and patterns of demand in the marketplace, and other aspects of the macroeconomy. ... [The mode of regulation] refers to institutions and conventions which 'regulate' and reproduce a given accumulation regime through application across a wide range of areas, including the law, state policy, political practices, industrial codes, governance philosophies, rules of negotiation and bargaining, cultures of consumption and social expectations.

In exploring the possible transition between two regimes of accumulation, Boyer suggests examining the social relations that display continuity and fall within the logic of existing forms and contrasting them with the discontinuities that comprise the constitution of new institutional forms.

Boyer suggests that institutional forms act in three ways. First, through laws, rules, and regulations. Second, through reaching a compromise, after negotiations, and third, through the existence of a common value system or at least common representations of reality (Boyer, 1990:44-45).

A distinctive feature of the regulation approach is the emphasis on the mutual interdependence of the economic, political and social. This approach means that none takes precedence and that change is a complex matter that will take a different form in different places and different times. It has therefore become an approach used by a number of different disciplines. The economic does not determine other institutions. Social institutions are as important in shaping change as the political or economic.

As Jenson (1991:47) puts it,

As soon as deterministic formulations are replaced by ones with greater attention to subjectivity, it becomes clear that only in specific places and times is it possible to observe

the meeting of the general and particular, with politics being an historical construction, of people making their own history albeit never under conditions of their own choosing.

*The Keynesian Welfare National State and the Schumpeterian Workfare Postnational Regime:*

As a tool for focusing on the state form that helped sustain what he calls Atlantic Fordism, Jessop has developed the term *Keynesian Welfare National State* (KWNS). The term is particularly suited to a regulationist analysis in that it groups together the predominant macro-economic cycle generated by mass production and consumption, the historic compromise between capital and labour in the welfare state, and the predominant political level of the national state (Jessop, 1999).

Jessop (1994a) moves towards a similar analysis of post-Fordism and a resolution of the post-Fordist debate. He uses one of the tools of the regulation approach in looking for continuity and discontinuity in order to ascertain whether a decisive break with the past has occurred. He argues that without continuity there could be no post-Fordism, and without discontinuity there could be no post-Fordism.

The global neo-liberal project of the 1970s onwards, he argues, has two interrelated features. One is a new accumulation strategy that is based on privatisation, liberalisation, de-regulation, the introduction of market proxies and benchmarking into the public sector, tax cuts and internationalisation. This is complemented by a shift in the mode of regulation towards what he calls the *Schumpeterian Workfare Post-national Regime* (SWPR) (Jessop, 2001b). The four features he highlights in this regime are the promotion of international competitiveness and socio-technical innovation through supply-side policies in relatively open economies as discussed by the economist Joseph Schumpeter. Innovation and competitiveness are the emphasis rather than full employment and planning. Secondly, social policy is subordinated to economic policy so that labour markets become more flexible and there is downward pressure on the social wage. Entrepreneurial individuals take the place of citizens. Local, regional, and supranational levels of government are important. And finally, there is increasing reliance on partnership, networks, consultation, negotiation.



He emphasises that the terms KWNS and SWPR are discursively constituted forms and have no concrete existence as such but can be investigated through the examination of specific instances.

Jessop further expands on the changes and identifies several possible forms that the SWPR could take. In any specific conjuncture, some features of these may combine. His analysis identifies four approaches or strategies adopted by nation states to promote or adjust to global neo-liberalism. He calls *neo-liberal strategies* those that promote free competition, reduce regulation by the state, sell off the public sector, institute market proxies in the residual public sector, free inward and outward flows of goods and capital, and lower direct taxes. While also promoting global neo-liberalism, *neo-statist strategies* emphasise the government as agenda-setter rather than planner; guidance of the national economic strategy; auditing performance of private and public sectors; public-private partnerships under state guidance; neo-mercantilist protection of the core economy, and an expanding role for new collective resources. The third category of *neo-corporatist strategies* involves rebalancing competition and cooperation, de-centralization, widening the range of private, public, and other 'stakeholders', expanding the role of public-private partnerships, protecting core economic sectors in an open economy, and implementing high taxation to finance social investment. Fourthly, *neo-communitarianist strategies* limit free competition, enhance the role of the third sector, expand the social economy, emphasise social use-value and social cohesion, promote fair trade rather than free trade, think globally and act locally, and redirect taxes to a citizens' wage and carers' allowances (Jessop, 2001b).

### **The Regulation Approach to the State**

Jessop (1990) analyses the regulationist approach to the state. As this thesis contains a study within the state, it is important to expand on what will be understood by the use of the term. In reaching for a definition, Jessop rejects essentialist notions of the state (the state is an ideal collective capitalist) and also avoids treating the state as a simple instrument and/or an autonomous subject.

Theories that view the state as managing the tensions and contradictions in regulation can be reductionist. Also, theories that describe the state as having to manage the tension and contradictions in order for capitalism to proceed can be functionalist. Because the state is part of the mode of regulation, it must itself form an object of study.

He suggests that a regulationist approach to the state would treat its precise form as contingent and itself in need of regulation, as for the commodity or wage relation (Jessop, 1990:316). “Securing the conditions for capital accumulation or managing an unstable equilibrium of compromise involves not only a complex array of instruments and policies but also a continuing struggle to build consensus and back it with coercion.” The state, therefore, “is a complex ensemble of institutions, networks, procedures, modes of calculation and norms as well as their associated patterns of strategic conduct” (Jessop, 1990:315).

A positive conceptualisation of the state is as an emergent, contradictory, hybrid and relatively open system. However, there must be clear boundaries between the state and other institutional orders and unity within these boundaries.

Without a measure of internal unity and a relatively consensual hegemonic project (together with its corresponding social bases), the state cannot perform effectively in securing the political conditions needed for an accumulation regime.  
(Jessop, 1990:316)

This concept of state project will be used extensively throughout the thesis. Because the investigation concerns a period during which the previous political settlement was breaking down, the concept will be used to denote the engagement by the government and its central agencies with the previous historic bloc in order to produce practical outcomes. These were achieved partly by *theory* or *ideology* and partly through the *process* of engagement. It will be discovered that in the application of this state project to education, it left parts of education unstable.

## **Connecting the Regulation Approach and Education Policy**

Dale (1990) in a useful and carefully argued paper traces the connection between the regulation approach and education policy. A useful figure from his paper is reproduced here (Dale, 1990:34).

The figure should not be read from top to bottom hierarchically, but is an attempt to separate out conceptually the different levels of analysis that the regulation approach can give rise to and to place the study of education within them. Dale identifies a “black box” between the changes that we know have taken place in the economy and regulation of it and the changes that have taken place in education policy. As he says, relatively little is known about the interconnection between the two.

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**Figure 2: Levels of Analysis**

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- A. *The World*
    - A1 World economy.
    - A2 International system of state.
    - A3 'Carriers', Multi-National Corporations: International organisations.
    - A4. Regimes of accumulation.
  - B. *National economic and social formation*
    - B1 Modes of regulation.
    - B2 Historic bloc.
  - C. *National politics*
    - C1 The political settlement:
      - (a) The entitlement/provision balance.
      - (b) Constitutional forms.
      - (c) Modes of interest representation.
      - (d) Modes of political rationality.
    - C2 The role of the state.
  - D. *The politics of education*
    - D1 The sources of education policy
    - D2 Education as a mode of regulation (social foundation of economic power).
    - D3 The scope of education.
  - E. *Education politics*
    - E1 The contradictions of education policy.
    - E2 The pattern of education policy.
- 
- ABC *The terrain of the state.*
  - BC *The national settlement.*
  - CD *The education settlement.*

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**Source: Dale, 1990:34**

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In regulation approach terms, what is the relationship between accumulation and regulation? How does change in one bring about change in the other? Why should institutional change tend in the same direction? Analyses of Fordist capitalism have tended to accentuate the technical production of commodities combined with complementary consumerism. This has been at the theoretical expense of the role of the state and of the key features of the modes of regulation that assist in

maintaining Fordism. This leads Dale to identify two shortcomings in the regulation approach, particularly with respect to the mode of regulation. One is that the concept of regulation has been taken literally to apply to the conditions required by a regime of accumulation. Dale argues that analysis must go further than this and take into consideration that, for a regime to become stable, institutions must not only promote the conditions but also ensure loyalty from the bulk of citizens for the regime. The other shortcoming that Dale identifies is that there is as yet no adequate explanation of how change occurs and how new institutional forms come to support a changed regime.

In addressing these, Dale (1990:37) delineates three conditions for the social existence of capitalism.

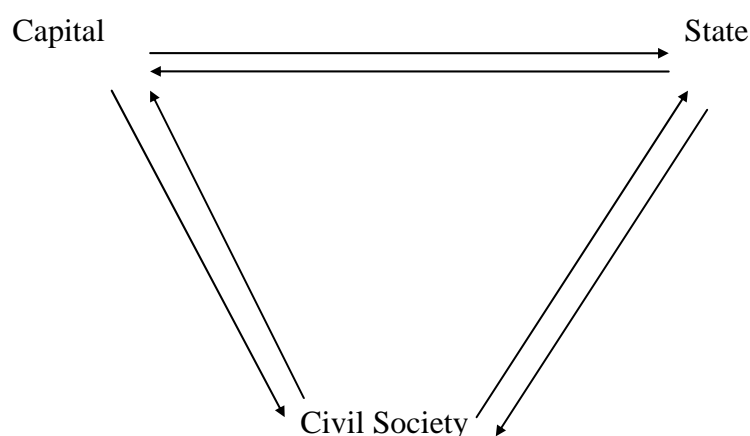
... the state in capitalist societies has as an unavoidable, but not necessarily dominant requirement, the guaranteeing of three conditions of existence of the mode of production that capital cannot guarantee for itself: direct support of the process of capital accumulation as a whole, the provision of a social climate conducive to its continuing expansion and the legitimization of those processes and its own role in them. Crucially, these conditions are not necessarily mutually complementary, but may be mutually contradictory.

In penetrating the interconnection between accumulation and regulation, then, the role of the state must be taken into consideration. Dale argues that even when this has been done in the regulation approach, discussion has been confined to state intervention in the economy and in industrial relations. Recent changes in Western capitalism have necessitated taking into consideration the role of ideology and discourse. As yet, this has not been applied within the regulation approach, but it is in the combining of analyses using ideology and discourse with the insights of the regulation approach into institutional change that Dale identifies as the most promising for addressing the black box.

He suggests that the national economic and social formation is usefully viewed as a triangle of tension between the state, capital and civil society. (Figure 3). Thus, rather than the state being seen as a supporter of both capital and civil society or as the mediator between them, it is rather only one of the three dimensions that equally participate in bringing about either change or stability. The placing of

analyses within this triad has been common in consideration of the factors affecting the changing political economy since the 1970s (Offe, 1984; Rudd & Roper, 1997).

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**Figure 3: The triangle of tension: state, capital and civil society**

**Source: Dale, 1990: 38**

In Dale's triangle of tension, the notion of an historic bloc<sup>1</sup>, or the key link between the world economy and the national social formation, implies not only strategic support for capitalist accumulation combined with supporting institutions, but also a binding ideology that legitimates a particular regime (Dale, 1990:39). Not any old ideology will do, but within an historic bloc, a certain level of harmony must exist between the different parts of a national economic and social formation. At the level of national politics<sup>2</sup>, the harmony and stability are reinforced or change effected. But if change is effected, this does not automatically bring about another political settlement<sup>3</sup>. The changes must interact with the old settlement. The reassemblage of continuities and discontinuities can lead to a new settlement.

In the case study here, as shall be demonstrated, it appears that a coherent ideological framework combined with the power of government and its central agencies set in motion a tendency toward change in all parts of the state project. This ideological framework could not, of itself, replace the KWNS settlement with another. Government and its central agencies implemented a programme of policy

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<sup>1</sup> B2 in Figure 2

<sup>2</sup> C in Figure 2

<sup>3</sup> C1 in Figure 2

change in the state through legislation. The effects of this interacted with other parts of the state, capital, and civil society and had the effect of rendering unstable the institutions of the previously existing national economic and social formation.

Diagrammatically in Figure 2, the case study addresses the “black box” between C and D or what Dale terms the education settlement. Most specifically, it addresses the regions C2 and D1. While the connection with D2 will be touched on tangentially, particularly in discussion of the ideology and some practices of the education settlement in the Keynesian Welfare National State, the main argument is confined to the connection between national politics at the level of the state and the contributors to education policy and its practices. As Dale (1989) says, the relations between education and the political economy are different to those between school and society. School-society is not determined by education-political economy nor is it reducible to it.

### **Connecting the State and Education**

As Dale points out in his 1989 study, the connection between the state and education has been poorly theorised (Dale, 1989). As the bulk of his argument derives from and adds to the regulation approach on the state and education, it will be discussed here, particularly as it relates to the relative autonomy of the work of teachers. Specific literature relating to the KWNS educational settlement will be discussed in Chapter 4. Literature relating to the educational change that took place in the 1980s will be discussed in Chapter 7.

Emphasising the importance of the role of the state in education establishes a link between theories of education as a functional need of capitalism, the structural-functional approach, and studies of education at the level of schools or classrooms, the approach of the “new” sociology of education (Dale, 1989:23). In other words, it is at the level of the state where education policy attempts to resolve or contain tensions associated with the three conditions for the social existence of capitalism. As Dale argues, while the connection between capitalist accumulation and education is a necessary part of explanation of the education system, as is the

connection between education and schools and classrooms, they are not sufficient in order to explain education in entirety. Without consideration of the role of the state, it is difficult to explain differences in national formations and how change occurs. Political economy approaches to education have similarly ignored the role of the state and concentrated on educational policy making or education politics<sup>4</sup>, rather than the politics of education<sup>5</sup> (Dale, 1989:24).

The problems – identified earlier – that the state faces in maintaining the three conditions of social existence of a regime of accumulation are mirrored in the education system. These are direct support of the process of capital accumulation as a whole, the provision of a social climate conducive to its continuing expansion, and the legitimization of those processes and its own role in them. At times, the need to find solutions to problems in all three areas may occur simultaneously and the solutions required may be mutually contradictory.

Dale argues that education itself can be viewed as a state institution. The contradictions and interaction of tensions within it make it not just a tool of the state in service of the regime of accumulation, but the result of an ongoing dynamic between its constituent parts. The education system is therefore best viewed as possessing relative autonomy. While an understanding of the existence of the core problems for the state and their contradictory solutions is necessary, it is not sufficient for an adequate understanding of how the dynamics play out in practice.

Successive governments obviously play a major role in the functioning of a state education system. They are, however, constrained in the amount of involvement they have. One constraint is that it is neither practical nor desirable to regard all facets of education as politically problematic at any one time. The other is that day-to-day control of every aspect of schools' activities is impossible. Central agencies are created to operationalise the policy directions of government and to ensure that allocated resources reach schools. The employment of teachers and the industrial relations associated with this employment has also been a function of

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<sup>4</sup> E in Figure 2

<sup>5</sup> D in figure 2



central government agencies in a state education system through the twentieth century. Bureaucracy was the mode of operation of central agencies in order to exert control over local schools on behalf of central government until the reforms described in this thesis sought a different means of controlling the activities of schools.

Schools, however, are organisations that take on a character that lies outside the demands governments and their agents make on them. Schools are therefore the embodiment of social relations, only one of which is the government of the day. Employees in schools are at an extra remove from government than are state servants employed in government departments. Employees in the health system are in a similar position.

To view education as a state project, therefore, it is necessary to view not only the government, but also central agencies like the Treasury and the State Services Commission (SSC), the Department/Ministry of Education and teachers, and the parents with whom they interact, as all implicated in the creation of that project. Compulsory schooling creates legal obligations on both governments and parents. Governments must provide the regulatory framework in which schools operate. Children must attend school and parents must send them. Schools therefore become the sites of struggle between different social forces. Children bring with them the tensions and contradictions of social forces playing out in the home. They interact with teachers, who also bring the tensions and contradictions of the society of which they are a part, in an institution regulated by government. In a state education system, the government also funds schools and employs teachers to carry out their education policies. Governments are therefore heavily reliant on teachers to implement their education project in schools. In other words, the state project in education must be supported by teachers to be successful. The means by which teachers are regulated for this support and how this can change is part of the story of the thesis.

In considering the professional work of teachers it is necessary to establish their relative autonomy within the state project. While teachers are state employees,

they are not state officials. The performance of their role does not match that of the ideal type bureaucratic official. In the performance of their job, teachers do not follow rules. There is no correct procedure to be followed in order to arrive at the general outcomes required. This has to do, partly, with changing views as to what successful educational outcomes are. Routine bureaucratisation of teaching in mass classrooms has proved elusive. Teachers therefore enjoy a certain autonomy from direct control. This difficulty in making technicians of teachers also means that it is difficult for outsiders to evaluate teachers' work (Dale, 1989). What are the technical outcomes that are required of teachers?

It is important to note, however, that this autonomy applies only to the execution of the work. Teachers' work cannot be conflated with education. The study of state education includes the study of the requirements that governments place on the content of what is to be covered. How that is achieved, however, largely has to be left over to teachers. As Dale describes it, governments pay the piper and call the tune, but teachers themselves decide how it will be played (Dale, 1989).

### **The Relative Autonomy of the Classroom**

In assuming a more complex dynamic between government and other parts of the state education system, the way is opened for an examination of the complex interaction between these parts in a specific historical and geographic instance. It involves tracing, through the period 1984–1989, the effect of legislative changes to the state by the New Zealand Government within a coherent ideological framework. In education, these changes altered the relationship between government, parents and teachers, and altered the employment framework for teachers. Subsequent industrial negotiations attempted to reposition their work within a managerial framework. The connection between industrial relations and state restructuring is therefore important in considering the effect of the changes on teachers. The argument in the thesis uses education industrial relations as a tool for investigating the disintegration of one educational settlement and the attempt to create another by government.

In industrial relations at this time, bargaining was experienced by teachers both as a concentration of the pressures for change and a forum in which they could express their outrage at the assault on the values they had previously assumed in support of the state project in education. This in part arose from the practice of treating teachers as conceptually outside the state in their employment relationship. This has acted to obscure their very real participation in the project of the state. Discussion in Chapter 5 of successive legislations with regard to state sector employment will be made in the light of the effect they have had on teachers' commitment to the state education project.

Confusion arises in part from the application of collective bargaining to state servants. This involves a pretence at conflicting interests of employer and employees. While this may be true over pay and conditions, this does not mean that the two are in conflict over the project of the state. In the core state sector, this plays out in a different way than it does in the larger education and health enterprises. Teachers are at an extra remove from their employer than are those in the core state sector. In industrial relations, therefore, it has been possible for the bargaining representative of government to engage with the collective bargaining representative of teachers without explicit regard for the state project in which teachers are involved. It can therefore be argued that the state is in continual conflict with a section of its personnel on which it relies, because of the conflict collective bargaining brings to the relationship. It will be argued that, in confining teacher input to education to the industrial relations arena, the state has imposed on itself a continuing conflictual relationship between governments and teachers that is not capable of resolution.

The case study focuses on this industrial relations setting. The investigation examines and attempts an explanation of changes in institutional forms during the period 1984 – 1989. To place this case study within a regulationist framework looks particularly promising when assessing it against Boyer's (1990) categorisation of the three ways in which institutional forms work. Here we have a situation in which government changed laws, rules, and regulations in state sector industrial relations, in education industrial relations, and in the project of education

itself. Some of the components of these were placed in a bargaining environment for negotiation, and more affected the context in which that bargaining occurred. While Boyer did not intend the use of the term *negotiation* in the restricted sense of bargaining, a formal negotiating process provides an opportunity to view contestation in a tangible sense. During this bargaining, exchanges across the table demonstrated that two different and opposing value systems were operating, often resulting in industrial conflict. That it did so should not be surprising if, indeed, the compromise of the KWNS was breaking up. How all of this played out into a temporary resolution still containing tensions and contradictions is the story of the thesis.

The intent is to trace the particular form that was produced within the context that Dale (1989:39) paints:

... a major intention behind this brief consideration of the nature of education as a state apparatus has been to point to ways of locating key points of tension within it, and to try to identify the ways in which different patterns of control over the education system create different spaces and opportunities for initiating or resisting change in education.

This perspective, combined with Boyer's analysis of the ways in which institutions work, through legislation, rules and regulation, through negotiation, and through agreed values, will enable a deeper analysis of the way in which the education reforms in New Zealand resulted in the disintegration of one education settlement, but with an outcome that was still being contested at the end of the time period of this thesis. That this contestation could continue with such vigour was in part due to the industrial relations forum into which many of the changes had been placed.

## **Conclusion**

What we have, therefore, in considering the regulation approach as a theory in which to place the case study, is an approach that has the potential to portray economic and political complexity. Institutions are seen as the product of social relationships, which are continually changing. While the tensions and contradictions inherent in social relationships are never fully resolved, there can be periods in any particular society when a mode of regulation gives the surface appearance of stability. It is the application of the concepts of the regulation

approach to specific conjunctures in time and space that is its greatest strength. Major change in the mode of regulation does not come out of nowhere, but is the result of the interaction of forces with one another. Thus, by tracing continuities within discontinuity the interplay of regions of any mode of regulation can be seen and analysed to a greater depth than is possible by the use of abstract concepts alone. Comprehensive analyses, it is argued by the regulation approach, cannot be achieved at the level of the abstract alone.

This leads to greater explanatory power than through abstract terms. For example, it would be possible to describe what occurred as an ideological shift, or as a shift in the rules governing state sector and education bargaining. This leads to a level of understanding, but is still no closer to identifying the means by which real change occurred and the extent to which that change was contested. The identification of unresolved tensions and contradictions from which further change might come, and which renders a particular conjuncture of forces more or less stable can also be identified in this way.

The concepts and insights gained from regulation theory are used in this study of the repositioning of the state drawn from within New Zealand. It will be argued that the conflict portrayed in this case study arises from *within* the state, not from privileging the state as an outside party acting on an object group, secondary school teachers.

The account is set against a backdrop of a shift from a Keynesian Welfare National State to a Schumpeterian Workfare Post-national State. While this forms a background, it is not the primary focus. It is a backdrop on which the account given here can be projected. It would be possible to impose the typology on to the case study or twist the account to better suit the arguments required to identify the transition. The risk of functionalism within the regulation approach has been identified (Jessop, 1996:313). Rather, a regulationist analysis is used here in order to arrive at a level of explanation that portrays the complexity of events. The outcome was not predictable. The shift was contested. Emphasis will be on the events of the process itself.

It will be argued that secondary teachers, through their professional organisation, the PPTA, in this process of change, asserted the values to which they had been used. The values that were expressed partly reflected those of the KWNS in which education had operated, and in part reflected the relative autonomy that Dale has described. The tensions inherent in education were exacerbated by the project of the Fourth Labour Government. The result was not pre-determined. In this case, teachers encountered in industrial negotiations a proposed regulatory framework that had not yet become the future. They met it with the educational and social values of their present and past.

## Chapter 3

### Connecting the Research Problem, the Case Study and Regulation Theory – Methodological Considerations

#### Introduction

The discussion in this chapter will move from the research question to the specific case study and introduce the many influences impacting on the industrial relations site. The chapter also contains a discussion of the distinctive features of industrial relations that make it a particularly useful site for investigating the interaction between different ideologies. A discussion of how the specific research was carried out follows. This includes a section on the researcher as participant.

#### Defining the Research Problem in terms of the Regulation Approach

The title of the thesis condenses the concerns of the thesis and gives an indication of the way in which they relate to the regulation approach. The title is *Moments of Rupture: Changing the state project for teachers: A regulation approach study in education industrial relations*.

There are two drivers behind the examination of the case study. The most specific one is a comment of Walsh's about the 1989 negotiations between the State Services Commission (SSC) and the teacher unions involving Government policy on the restructuring of education (Walsh, 1990:8).

The negotiations for the primary and secondary teachers awards in 1989, and their aftermath, were tortuous affairs, which ranged over a wide array of issues. The negotiations themselves unfolded in complex and halting patterns, punctuated by bursts of industrial action, offers of compromise, sometimes later retracted, and, above all, long and numbing bargaining sessions. They were marked by acrimony, by accusations of bad faith and on many occasions by a sense of genuine outrage on both sides that is not often found among professional industrial negotiators.

The case study used here focuses on the education industrial relations environment of the Fourth Labour Government and secondary teachers from the election in 1984 through to the renewal of the Secondary Teachers' Award in 1989. If the regulation approach is a useful theoretical tool then by the end of the account, an *explanation* of *why* the negotiations were the "tortuous affairs" described by Walsh should have been provided, along with an assessment of its accuracy. The goal of the regulation approach as a methodological tool is a necessary and sufficient explanation of historical events.

The second driver is Jessop's comment on the underdeveloped nature of the concept of the state within regulation theory. In Chapter 2 it was stated that Jessop (1995:321) identifies a weakness in regulation theory. He says:

... there are, as yet, no adequate regulationist *explanations* of the structural transformation and/or strategic reorientation of the local state. At best we have more or less plausible regulationist *contextualizations* of these shifts. Yet, however detailed the analysis of such a strategic context might be, it cannot itself generate an adequate explanation for strategic action. This would require in addition at least some account of the strategic capacities of actors (individual and/or collective) to respond to economic problems, the strategies which they try to pursue and the relationship between these capacities and strategies and those of other relevant actors in that context.

Using a regulation approach, the thesis also seeks to *describe* the process in this particular setting by which a shift in the nature of the state occurred. In other words, a description is provided of *how* the prevailing education settlement within the mode of regulation was rendered unstable and a shift in the strategic capacities of actors occurred. The explanation for why the negotiations occurred as they did will follow from this description of the process.

The *explanation* and the *description* will be arrived at by applying the regulation approach but also by keeping in focus the broadest possible context. Assessing whether they are necessary and sufficient to account for the events will test the explanation and description. Were the events of such magnitude that they brought about rupture? And, is the analysis provided sufficient to account for the rupture?



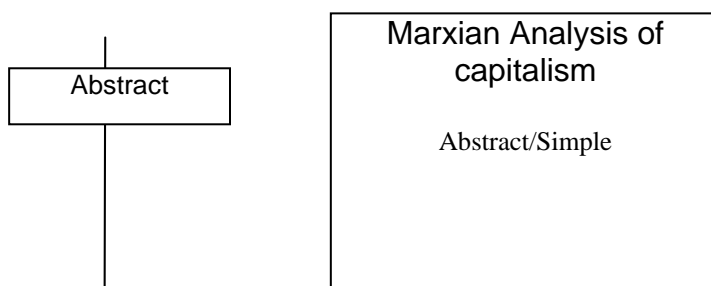
The research problem, stated formally, is therefore:

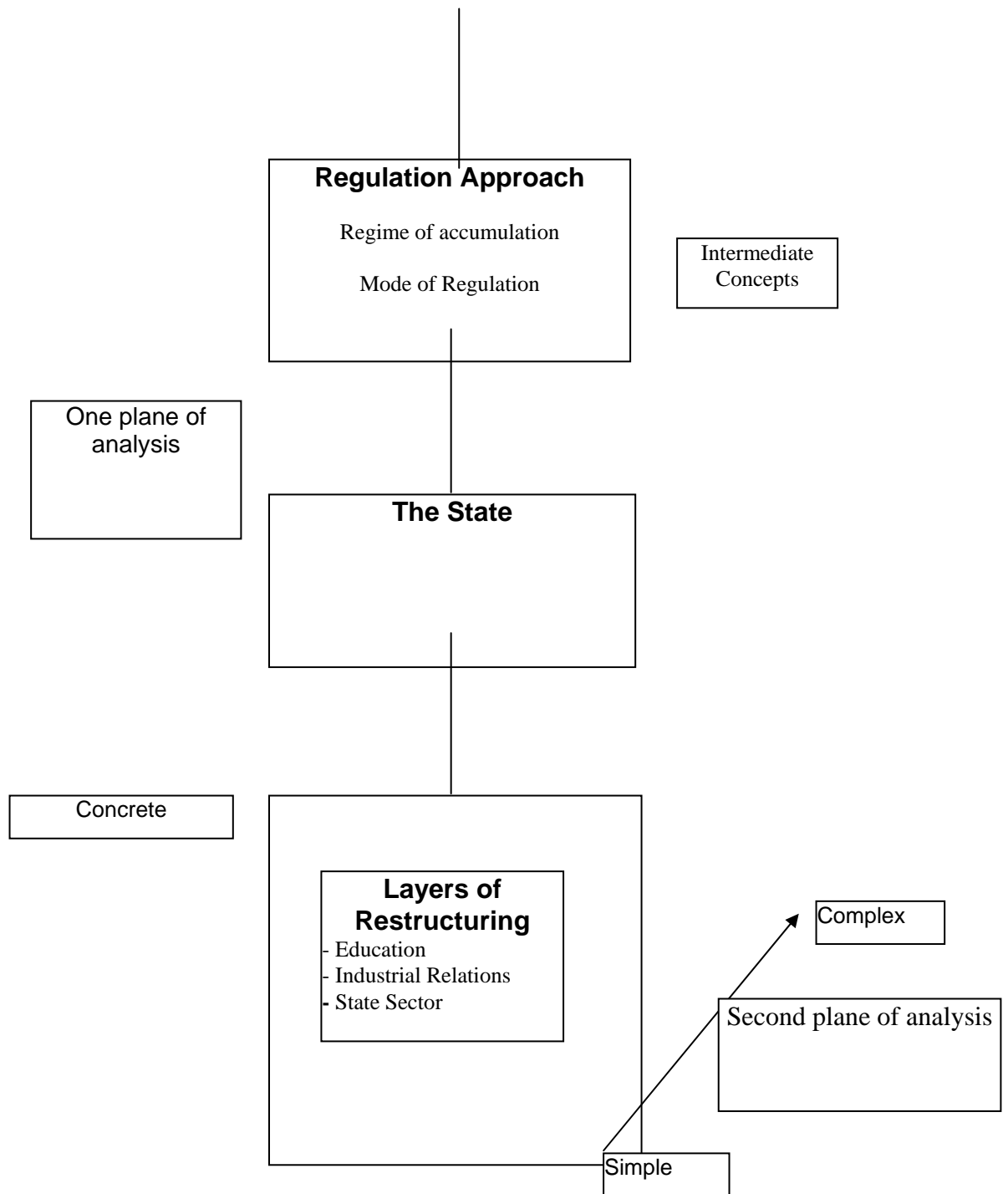
*Using a regulation approach, the New Zealand education industrial relations environment for the period 1984–1989 is analysed in order to explain and understand the process by which a shift in the positioning of teachers within the state occurred.*

In the concluding chapter of the thesis, an assessment will be made as to the usefulness of the regulation approach in addressing the research problem.

### **Introducing the Case Study**

The relationship between the regulation approach and the case study is represented diagrammatically in Figure 4. While the Marxian analysis of capitalism and the concepts of the regulation approach form a framing theory in which to place the case study, it is in the history of New Zealand at a particular time that the case study is placed. Specifically, education industrial relations is situated within the concepts of the state and the mode of regulation as the post-war regime of accumulation changed. More specifically still, the events of the case study occurred within three sets of restructuring: education, industrial relations, and the state sector. The complexity of analysis arises from consideration of these restructurings simultaneously rather than just focusing on education, or industrial relations or the state sector alone.





**Figure 4: Relationship between the case study and the regulation approach**

During the period 1987–1989 three separate industrial negotiations took place between the State Services Commission (SSC) and the New Post Primary Teachers' Association (PPTA). They occurred at the intersection of three restructurings undertaken by the New Zealand Government as part of the broader programme for repositioning the state in the economy and society as a whole. The specific restructurings applied to the machinery of government, industrial relations and education. The negotiations, therefore, provide an opportunity to look at the effect of the restructurings on education in general, and on teachers in particular.

The negotiations in 1989 were distinctive in that the PPTA took issue with the Government's state repositioning project within the context of a formal negotiating process. Industrial action was mobilised against the principles of the government project. The reasons why this occurred forms part of the story told in the thesis.

The case study has been chosen because an industrial relations site provides certain strengths of analysis. Discussion at the bargaining table covered the prevailing ideology of education as well as the approach of a new, interacting discourse of education. A benefit arising from the study is that the analysis can add to the substantial body of literature on the reforms. Each of the industrial relations, state sector and education restructurings has been studied in their own right, but this study adds complexity by looking at the overall effect.

Mention should be made here of another study that has been made of the PPTA through a much longer time frame that includes the years 1984–89 (Jesson, 1995). Her similar choice of PPTA as the focus of study emphasises that the union and its activities possessed characteristics that were sufficiently different from those of other state sector unions of the time to make it a useful subject for a case study.<sup>1</sup>

Jesson also uses a regulation approach, but her emphasis is on the PPTA as a union and on what Offe terms *rational opportunism* (Offe, 1985:219). Her thesis is an historical account of the period 1988–1993 that seeks to demonstrate “the limits and possibilities of trade unionism as a vehicle of change in education” (Jesson,

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<sup>1</sup> Jesson's thesis was not completed until two years after this one commenced.

1995:7). The effect on and the union strategies adopted by the PPTA in the face of government-initiated change is the focus.

While at first sight, the use of the PPTA as a case study and the use of the regulation approach as the framing theory make the two theses similar, there are considerable differences. Both theses do treat the function of education as part of the state itself and emphasise the legitimisation role which education plays. The thesis here, however, is firmly embedded in an industrial relations site of a shorter duration than Jesson's and seeks to analyse the *process* of change that impinged on that site. This exercise may throw light on theories of the education reforms, but equally it may throw light on theories of the state sector restructuring as well. The goal of the thesis is not primarily to analyse the PPTA response but to use the response to examine the processes of interaction between the education settlement of the KWNS and the policy changes of government within a new approach to education.

The two theses, therefore, while scrutinising some similar events, deploy different lenses through which to view them.

### **Factors affecting the case study**

The case study was affected by many influences. Each influence will be discussed in the course of the thesis, with emphasis on its historical trajectory. The convergence of all influences in 1989 leads to an explanation of events at that time. The years 1984–1988, however, are important for an understanding of the part they played in bringing about the events of 1989. Change can then be seen, not simply as an abrupt event played out in the course of education reform, but as the result of continuities with the past interacting with the discontinuities of reforms by the state. This interaction produced the results of 1989, and 1989 cannot be understood in isolation from what went before.

The specific influences that impacted on the 1989 negotiations can be grouped broadly into the ideas or ideologies affecting those involved, changes in

government policy and resulting legislation, and the strategic or political actions of the players. Each of these has its own historical trajectory.

The negotiations were affected by ideology about education, in particular the continuity of ideology informing post-war education in a Keynesian Welfare National State (KWNS). Discontinuity was introduced by neo-liberal ideology about the relationship between the state and the economy, and ideas about the administration of government and the role of the state. More concretely, these coalesced into a specific state pay-fixing regime and a specific policy for restructuring the administration of education. The two ideologies and their views on education are dealt with in the chapters on the education setting and the interacting discourse.

Policy and legislative changes that affected the negotiations over the period 1984-89 involved law relating to the machinery of government, law relating to industrial relations as a whole, both public and private, including state pay fixing, and law relating to the administration of education.

The main contributors to the negotiations, either via ideology or direct involvement were the government, Treasury, the SSC, and the PPTA. As the analysis proceeds, consideration also needs to be given to the actions of other state unions, but with less emphasis. Also, as events develop, principal members of the PPTA need to be considered separately from other teacher members. The emphasis changes as the account progresses.

### **Industrial Relations as a heuristic device**

This thesis accentuates the use of industrial relations as a *tool* of analysis. The traditional approach of Industrial Relations in New Zealand has been to focus on analysis of and comment on current and historical industrial relations policy and practice (Walsh, 1994:162). Internationally, industrial relations has been the subject of a number of intellectual traditions. It is now accepted that industrial

relations is a multi-disciplinary field of study and a discipline in its own right (Adams, 1993).

While the case study chosen lies within industrial relations, its interest here lies not primarily with industrial relations outcomes, although the results of the 1989 negotiations did affect the ensuing practice of education industrial relations in New Zealand. The regarding of bargaining as a heuristic or investigatory device appears useful. Work or labour is equally important to communicative or discursive interaction, in the development and use of knowledge (Sayer, 1984). Work or labour is defined to mean any kind of human activity that transforms, modifies, moves or manipulates any part of nature. Sayer's discussion emphasises labour by identifying that work is both a material process and a conscious one. Human labour is directed toward a conscious goal. 'Knowing' in this context can be gleaned through the results of work. The process of researching within social science itself requires interaction with the processes of nature. Work shapes the way that people 'know' the world as much as social interaction does. Sayer argues that this is a neglected 'missing link' between social science and research. History is made by people, it does not just happen to them. Labour and discursive interaction are interdependent.

In combining this with a regulation approach, an industrial relations setting combines both the context of work and discursive interaction. The discursive interaction that takes place across a bargaining table is given a large part of its meaning because of the work context of the two parties. The interpretation of what is being said by each party is related by the other party to the work its members or employees carry out. Thus, the veracity of statements is continually being checked against material reality. Not just any meaning can be conveyed across the table. Meanings will be measured in terms of how successful they are in describing the recipient's material reality. While this also involves discursive meaning, the industrial relations setting, because of the combination of the two, provides a distinctive place in which the separation of the two is untenable.

In this particular instance, the ideologies of the two sides were in conflict. The veracity of each one, conveyed in discursive interaction, was tested in the other's framework. The negotiations therefore provide a situation in which the ideologies were re-interpreted according to a different ideological framework. Thus, teachers, through their union, were stating how they saw their work and describing the educational context in which it operated. This was filtered through a particular educational ideology, conditioned by the KWNS, which saw no veracity in what the SSC was saying. The SSC, likewise, was stating how it saw teachers' work in the educational context that would pertain in the future. Its perception was filtered through an ideology in which the teachers' viewpoint had no veracity. One was talking about a past that was beginning to disappear and the other was talking about a future that had yet to be constructed.

The examination of the wider industrial relations setting in general and of some bargaining sites in particular, culminating in the 1989 negotiations, serves to use the perception of each party as a means of interpreting the ideology of the other. This is what is meant by using bargaining as a heuristic device.

Denzin & Lincoln define qualitative research (1994: 2)

Qualitative research is multimethod in its focus, involving an interpretive, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them.

In bargaining, the parties to the bargaining table can replace the researcher to a certain extent in that they are attempting to make sense of and interpret the meanings the other side is bringing to the table. It is not often that ideologies are brought to bargaining to the same extent as they were here, and while the general principle is valid, in this particular instance, each side's interpretation of the other provides helpful evidence to the researcher.

An example of this dialectic is the use of the terms *Provider Capture* and the *New Right* by the parties. Each party to the negotiations had an epithet for the ideas of the other. Everything professional was called provider capture by the SSC.

Everything related to change in public sector management, Treasury theorising, and the SSC application of managerial accountabilities such as fixed-term contracts and pay for performance was dubbed New Right by the PPTA.

Neither epithet was complimentary to the ideas of the other side. The use of the term *New Right* incensed the Prime Minister when he visited the PPTA Annual Conference in August 1988 (McQueen, 1991). During negotiations, the use of the term *provider capture* about teachers was received as a deliberate insult by the PPTA. For both, their analytical concept had legitimacy in the theoretical framework from which they were operating. There are thus four meanings under discussion. For each party, one neutral and objective meaning, translated into a negative meaning by the other. Because of this symmetry, there is an emphasis on the ideological component of the positions of both parties throughout the thesis.

### **The Researcher as Participant**

The researcher was an employee of the PPTA through the time period under study and the advocate for the PPTA through the Long Negotiation. Some discussion of the effects this has had on the research and analysis is therefore necessary.

Critical realism rejects the notion of the “all-knowing” observer of an object. Social science research is mediated by both language and social relations. Objectivity in the sense of analysis outside the language and cultural assumptions of both the researcher and the observed is impossible. This is an assumption that forms the base of approaches to qualitative research as a whole, not just critical realism. The rejection of positivism and the acceptance of the argument that knowledge is “constructed” have been extensively canvassed in qualitative research literature.<sup>2</sup>

The tradition that has relied extensively on participant observation in its development is that of anthropology. Early ethnographies involved a researcher



studying a culture that was unfamiliar and researching across language barriers as well. Thus, the subjectivity brought about by researching within common social relations and common language was overcome. However, the subjectivity arising from the imposition of one's own cultural perspectives was not. Ethnographic studies have been widely used in educational research (Gall, Borg & Gall, 1996) and have been carried out within New Zealand education (see, for example, Jones, 1991).

But the events studied here do not constitute an ethnography in the traditional sense of the word. The researcher did not come from outside the events and sit in on them in order to record what happened and then draw conclusions. Nor is it an ethnography in the sense that the researcher was self-consciously a researcher at the time, recording events as they occurred. It was only after four years that a decision was made in the course of Masters study that the events warranted further scrutiny for the light they could throw on that period of restructuring. Therein lies the difference with ethnography. Gall, Borg & Gall (1996:608) identify culture as the central concept in ethnographic research. The case study used here is not being examined to throw light on the culture of bargaining, nor on the culture of the organisations themselves. It is not a retrospective ethnography. As has been identified, the accent is on the political economy context, with particular emphasis on the state.

How then to deal with the researcher as reflective observer of events of which she was a part? Is she writing autobiography or indulging in self-reflection? In particular, is it possible for her to become analytical about specific events in industrial relations and bargaining, when her positioning at the time was with one side rather than the other?

With the assumption of knowledge as being socially constructed, the objectivity of a researcher no longer becomes the point of focus. Critical realism and the regulation approach replace it with the test of whether any particular explanation

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<sup>2</sup> While the notion of the construction of knowledge is not accepted by all members of the social science community, it is sufficiently well entrenched to need little justification here. (See for example, Denzin & Lincoln (1994), Gall, Borg & Gall (1996), Oakley (2000) and Ozga (2000)).

provides the necessary and sufficient conditions with which to explain events. The participation of the researcher in the events carries with it both advantages and disadvantages but objectivity or subjectivity is not necessarily one of them. One should not need to seek justification of the research to any greater degree than for another researcher who was not part of the negotiations but who is also likely to have a value judgement towards the events described. The techniques of social science research provide a legitimacy in this instance that is no greater nor less than that for any other researcher. This will be expanded on in some depth to justify the statement.

Any research is reported on via a narrative. That narrative will be unique to the researcher and different for different researchers even when the same primary and secondary resource material is available to them all. Different accounts from different perspectives can be equally valid. However, it would be a mistake to view social science research as operating within the individual autonomy and freedom of the researcher. The constraints of a discipline or theoretical framework are real.

Maxwell (1992) defines five types of understanding and validity commonly used in qualitative research. These are descriptive validity, interpretive validity, theoretical validity, generalisability, and evaluative validity. Descriptive validity concerns the factual accuracy of the account. The meaning of events is reserved for interpretive validity. Accounts of participants' meanings are always constructed by the researcher on the basis of participants' accounts and other evidence. Theoretical validity refers to an account's validity as a theoretical explanation of some phenomenon. The theory contains the concepts used and the relationships that are thought to exist between the concepts. Generalisability is reserved for the usefulness of the theory in application to other situation. Finally, evaluative validity applies an evaluative framework to the objects under study. Maxwell identifies descriptive, interpretive, and theoretical validity as central to qualitative research.

The use of primary material and the recording of taped interviews establish descriptive validity here. This is normally taken care of in an account by

referencing and quotations. Theoretical validity in this instance is established by the use of the regulation approach as a methodology. Interpretive validity is heightened by the accent on the causes of events and the analysis of continuities and discontinuities with the past.

One further comment about the validity of social science research can be made from the perspective of critical realism. As discussed earlier, critical realism places an equal emphasis on labour and discursive interaction as means of developing and using knowledge. The work of an advocate in the events under scrutiny is a different kind of work from that of researcher. The ways of “knowing” the events are different for each. For the advocate, the work involved is in establishing the position of the group, assessing the strengths of the other side and deploying innovative industrial strategies and debates in order to bring about the settlement of an industrial document. For the researcher, the work involves setting in place a theoretical perspective and specific methodologies of social science that attempt, in any research project, to address and minimise the bias of the researcher. Thus, from the outset, the two labours require different assumptions and strategies in order to achieve their goals. The strategies of a researcher would not be successful in bringing about the renewal of an Award. And the strategies of an advocate would bring about bad research.

The advantages to this particular researcher of having been part of the events are the depth of knowledge of what lay behind the events. The whole event lies within a complex interweave of minute detail of legislative change and sequencing of events. An in-depth knowledge could tease out factors that may have escaped another researcher. In interviewing, both interviewer and interviewee had an existing relationship and were familiar with bargaining language and the factors that impacted on the negotiations. Because the negotiations continued over a long period and were tough, they had a common experience of their involvement together in historic events. This may seem strange when the negotiations involved very tough bargaining and industrial and political action. As will be seen, however, the negotiations possessed an ideological dimension and intensity of purpose that is unusual in industrial negotiations. Their length and intensity took a considerable

emotional toll on the individuals involved. For these reasons, none of the people interviewed appeared reluctant to talk about significant events in the restructuring of the state in New Zealand. Interviewing could be deeper when both interviewer and interviewed had been part of the same events. By the same token, however, it would be possible for the “insider” conversation to obscure other factors that might have been operative and that have been overlooked.

The main disadvantage for this researcher is one that others may have been able to avoid. The consciousness of the need to be unbiased has meant that I have written myself out of the text. This need not be of any great moment except that I am aware that I have not taken risks in analysis. The analysis is both deeper and shallower because of my involvement in the events. Deeper because of the knowledge of subtleties, language and issues that were important to the parties. Shallower because I have kept a tight rein on interpretation where it cannot be readily observable from the data. The “text” of primary documentation and interviews has been allowed to speak for itself as much as possible. However, the identification and use of the events as a site for testing out many of the insights of the regulation approach is a strength that may not have been possible without my prior involvement.

Because of the research need to be bipartisan, a critique of the ideological positions of the parties has been left largely unexamined by the researcher. It has been left to the comments of the parties to “deconstruct” each other’s ideological positions.

Finally, to complete the above discussion, a chance discovery of a quotation by Einstein seemed to provide one further justification as to whether or not I have succeeded in answering the research problem as professionally as another social science researcher who was not involved in the negotiations.

If you want to find out anything from the theoretical physicists about the methods they use, I advise you to stick closely to one principle: Don’t listen to their words, fix your attention on their deeds.

(Einstein, cited in Maxwell, 1992:282)

Or, more colloquially, the proof of the pudding is in the eating.

## **Specifics of the Research**

Altheide & Johnson (1994) identify 12 criteria to be used in establishing the interpretive validity of any particular study. Because validity and reliability are problematic if one rejects the positivist assumption of objective reality, the criteria are listed here and the approach and research methods used in this thesis are related to them in detail.

1. **Usefulness.** In critical theory the concept of usefulness is replaced by that of practical adequacy – that is, whether any particular application brings about success. For example, a theory that argues we cannot walk on water is more successful than one that argues we can. Discussion has already occurred about the way in which the regulation approach continually keeps the theory under scrutiny. The practical adequacy of the findings of this thesis is defined as whether or not they are successful in providing an answer to the research problem.
2. **Contextual completeness.** The more comprehensive the context, the more credible are the interpretations. This criterion relates to one of the planes of analysis of the regulation approach – that of the movement from simple to complex. In identifying the context as situated in the intersection of three restructurings, a more complex reading can be made than if there were only one.
3. **Researcher positioning.** The positioning of this researcher has been discussed in the last section.
4. **Reporting style.** Since the case study does not involve an attempt to portray the culture of the parties, the reporting style is not apposite here.

- 5. Triangulation.** Triangulation has been employed in data collection. Primary sources relating to the period have been consulted in both the PPTA and the SSC archives. Interviews have also been carried out with the key participants in the 1989 negotiations. An important part of the triangulation in this instance is the industrial relations setting, as already discussed. Each side comments on the other's positions.

The discussion of the period 1984–87 in chapter 8 has relied heavily on documents held by the PPTA, and on CSU papers on file there. *PPTA News* has been extensively used in Chapter 8 as evidence for events of that time. This is because that chapter is primarily concerned with the activities of the PPTA that laid the groundwork for its positions in 1987–89. Emerging positions of the Government, Treasury, and the SSC over restructuring form the background only to that discussion.

PPTA papers are used more than those of the SSC in Chapter 9 on the 1987 pay round and the 1988 codification negotiations. Comments made in interview begin to emerge. The greater use of PPTA papers needs to be justified. The PPTA, as a professional organisation prior to 1988 and then as a union after that, has always carried out extensive communication from its national office with its members. Every meeting that national office staff went to and the policy papers leading to strategic decisions were all commented on in depth to the executive. These form the series HX documents. Regions received communications labelled HR. Branches received communications labelled HO. From the end of 1986 until the end of the period, further communications were sent to branches labelled CI. These were strategic and mobilisation documents that kept the membership as a whole informed of the progress of negotiations and of industrial action required of them by the Executive. *PPTA News* was a further newsletter meant for public consumption that went to members as well as acting as a PR newsletter for politicians and the media.

SSC files for 1989 contain material relating to briefing of government and letters written to and received from significant other parties. There were some policy or strategy documents. SSC personnel have reported that 1988/89 was a period of such a high level of activity that file notes and files were not of paramount importance to those involved. As can be seen, evidence for actual events, time frames and resolutions of disputes can be more readily gleaned from the PPTA files than from the SSC ones, simply because of the sheer volume of communication. The PPTA papers, therefore, have tended to be used more in Chapter 9 to record factual occurrences.

The positions of the parties, however, have been identified from their own files. The nature of the discussion, particularly in Chapter 10, is such that comments by each on the other's position have been used to portray the very real nature of the ideological disagreement. Furthermore, Chapter 10 contains much more extensive quotation from interviews. This is because the events of 1987 and 1988 built towards the critical and divisive encounter of 1989.

Interviews were conducted with the participants in the 1989 negotiations. The whole PPTA team was interviewed. The advocate for the SSC team was interviewed, as was the Assistant Commissioner Human Resources in the SSC at the time. The conciliator for the 1989 negotiations was interviewed. The Director-General of Education and the Minister of Education prior to 1987 were interviewed to throw light on events leading up to the Long Negotiation and the role of government and government agencies in introducing change. These acted in the role of key informants (Gall, Borg & Gall, 1996:306).

The emphasis has been on those who provide the continuity with the past. This is because of the extensive literature that deals with the discontinuity of education, industrial relations and state sector restructuring. Treatment of the restructurings has been largely as a government project that was imposed on the different sections of New Zealand society. The emphasis of this thesis is on the process by which the new approach interacted with behaviour of parties

and ideas of the Keynesian Welfare National State and the means by which these were changed. This interaction is highlighted here.

The whole PPTA negotiating team was interviewed because of this as well as because of the need to take myself out of the story. The PPTA position needed to be established by those involved, rather than by imposition of the analysis of the researcher. The advocate for the SSC and the Head of the Industrial Relations section of the SSC were the strategic players for the SSC. Some officials from the Department of Education were at the bargaining table with the SSC, but in the role of expert advisers rather than strategic partners.

The researcher carried out tape-recorded interviews. The researcher knew all interviewees beforehand. They were asked to talk about the 1989 negotiations. The goal was to record the interpretation of the interviewee about that set of negotiations. While the researcher provided some prompts in advance, no predetermined directions were imposed. The interviewer entered into conversation if that seemed appropriate or in order to gain greater clarification of issues discussed. Interpretation by the interviewer was introduced only in the context of seeking greater clarification.

Gall, Borg & Gall (1996) identify five interview tasks that need to be attended to. These are deciding how to present oneself, establishing rapport, gaining trust, understanding the respondents' language and culture and being sensitive to nonverbal information. None of the interviewees appeared to have difficulty with my shift to the role of researcher. Those involved in the negotiations were keen to be interviewed and had many perceptive comments to make. They appeared pleased to have the opportunity to do so. Establishing rapport, gaining trust, and understanding the accounts in the language given to me were aided by my familiarity with the people and events.

6. **Member checking.** Involving the participants in the interviews obviated the need for member checking.



The remaining criteria identified by Altheide & Johnson (1994) relate to quantitative research only.

## **Conclusion**

This chapter has described the means by which the argument of the thesis has been approached. The factors impacting on the 1989 negotiations have been identified. Subsequent chapters on the respective ideologies or discourses follow the theme of moving from the more abstract discussion to concrete policy documents or strategies. The chapters on the years 1984–89 are treated chronologically, but add complexity as they contribute to the discussion of the 1989 negotiations. All factors are traced through their historical trajectory to convergence. Retroduction identifies the characteristics of a concept that are capable of causing change. Thus, an attempt has been made to draw a distinction between “Managerialism causes ...” and “The provider capture argument causes ...”. The content of the concepts is thus given more emphasis than are the labels.

## **Chapter 4**

### **The Discourse of the PPTA – the Keynesian Welfare National State Education Settlement**

#### **The Education Settlement of the Keynesian Welfare National State**

Since the Centre for Contemporary Cultural Studies (1981) coined the term, it has been common in educational sociology to speak of education “settlements” (Grace, 1990a). Education settlements are regarded as temporary periods of compromise resulting from continuous crises and struggle within education.

Grace defines education crisis and settlement. Education crises arise in the education system from time to time.

An education crisis in the policy sense may arise when critics of the established consensus are able to demonstrate by reference to legitimated and independent sources of evidence that the system does not have the confidence of a significant number of citizens or that the system is patently failing in terms of its own stated objectives.

(Grace, 1990a:167)

He then defines an education settlement:

Education settlements refer to the establishment of a new policy consensus after a period of crisis and struggle. Depending upon the nature of the compromise achieved, an educational policy settlement may be more or less stable. It may achieve a considerable internal consistency of principle, in which case it is likely to be a relatively long-lasting policy settlement. On the other hand it may, as a result of various exigencies, be characterized by internal contradictions which will soon provoke another crisis.

(Grace, 1990a:167)

The use of the term here will be situated in a broader context. Following Dale (1990:34),<sup>1</sup> the emphasis will be on education as part of the political settlement of the state and as part of the mode of regulation in support of the Keynesian Welfare National State (KWNS) political settlement and Fordist regime of accumulation. While using it in this way does not contradict and includes the use Grace and others make of the term

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<sup>1</sup> Chapter 2, figure 2, p 28.

in the sociology of education, the wider context makes possible consideration of influences other than just those arising from within education on the creation or disintegration of a settlement.

Establishing the components of the educational discourse or “settlement” in which the PPTA operated prior to the 1980s will be addressed in three ways. First, writings about the ideology of education in New Zealand within the KWNS will be examined in this chapter. Second, an overview of educational research and debate prior to the 1980s will also be given in this chapter on the assumption that teacher training courses of the time and teachers’ professional discussions contained ideas derived in the broadest sense from this research. The educators of teachers were researching and debating educational principles that transmitted the values of education within a KWNS. Third, throughout the remainder of the thesis, statements from PPTA publications will be provided where it is relevant in order to position the PPTA response within the KWNS consensus over education. In the next chapter, the practical consequences of such an ideology will be examined through the PPTA’s approach to professionalism.

### **The Ideology of the Keynesian Welfare National State Education Settlement**

For New Zealanders, the values of education in the Keynesian Welfare National State (KWNS) have repeatedly been related to the well-known words of Peter Fraser, who, as Minister of Education, made his annual report to Parliament in 1939.

The Government’s objective, broadly expressed, is that every person, whatever his level of academic ability, whether he be rich or poor, whether he live in town or country, has a right as a citizen, to a free education of the kind for which he is best fitted, and to the fullest extent of his powers. So far is this from being a mere pious platitude that the full acceptance of the principle will involve the reorientation of the education system.<sup>2</sup>

Education policy, from 1939, was developed within the context of this statement of principles until a new educational framework was signalled by Treasury in its briefing to the incoming government in 1987 (Treasury, 1987).

What Fraser’s vision for education meant for the core curriculum in secondary education was developed further by the Thomas Committee, appointed by the Minister

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<sup>2</sup> New Zealand Parliament. House of Representatives Appendices to the Journals, E1, pp. 2–3, 1939. Cited in Alcorn, 1999.

of Education in 1942 to review the post-primary school curriculum. Post-primary schooling should:

ensure, as far as possible, that all post-primary pupils, irrespective of their varying abilities and their varying occupational ambitions, receive a generous and well balanced education. Such an education would aim, firstly, at the full development of the adolescent as a person; and, secondly at preparing him for an active place in our New Zealand society as worker, neighbour, homemaker, and citizen.

(Thomas, 1944:4).

Secondary schooling post-war therefore had three over-arching goals. It should be personally fulfilling; it should produce a citizenry able to participate in an effective working democracy; and vocational choices should be left as late as possible in secondary schooling (Renwick, 1986a:4). More specific education policy, of course, derived from more specific goals, but the three deriving from Fraser's vision remained as a general statement of intent through into the period covered by this thesis.

Through the 1950s, 1960s and 1970s, this education settlement had become entrenched in the fabric of New Zealand society. In a time of full employment, it was acceptable that preparation of students for work was only one goal amongst the three. Curriculum developments, assessment changes, and the preparation of teachers for their work in secondary schools were formulated within this consensus over educational opportunity.

Beeby, Director-General of Education from 1938 until 1960, has coined the phrase *educational myth* to apply to the educational vision of a period (Beeby, 1986). His description of an educational myth will be quoted at length here. No paraphrasing or summary could capture as succinctly what the ideological component of the Keynesian Welfare National State meant.

Each generation creates, or simply assumes, its own educational myths and its own unattainable but approachable goals, with at least an appearance of permanence, on which to build its plans for education. To be both acceptable and effective, a myth has to meet certain conditions: it must be in general accord with some strong – though not always clearly defined – public aspiration; it must be expressed in language flexible enough to permit a reasonably wide range of interpretations, and yet specific enough to provide practical guidance to administrators, planners and teachers; it must be unattainable, at least for that generation, if it is to sustain twenty-five years of change without being constantly and confusingly modified. With the wisdom of hindsight, we now know that it is unattainable in another more subtle sense, that, by the time it is

close enough to be seen clearly, its weaknesses will have become apparent, and a rival myth will be edging its way into the centre of vision. The final paradox is that the key people working under the myth must believe in it so completely that they will fight for it in its youth (while perhaps in their youth); must hold to it, though more critically, in its middle age, and yet eventually be willing to see another myth set up in its place when it has served its purpose. (Beeby, 1986:xv)

Presciently, Beeby also describes the negotiation of meanings between the old and the new as a new myth takes hold, and inadvertently draws a distinction between the evolution that took place in the KWNS educational settlement from equality of opportunity to equality of outcomes during the late 1960s/1970s, and the experience of a sudden break with the past as in 1987:

A myth may remain dominant for a quarter of a century or more, and, unless there is some political upheaval that goes beyond the routine changing of democratic governments, a myth rarely dies a sudden death. Even when two myths are in partial conflict, the old myth, like many ancient faiths, is quietly absorbed into the new with a fresh interpretation of terms. (Beeby, 1986:xvi)

Beeby and Renwick are in agreement that there were two educational myths after World War II. The first, current in the period 1935–1965 was generally described as one committed to equality of educational opportunity for all New Zealanders (Renwick, 1986a:1). Gradually, after 1965, this was replaced with the myth of equality of results.

The second myth of equality of results or social equity arose from challenges to the education system from new social movements in the 1970s such as Maori sovereignty and feminism. It was argued that the education system based on equality of opportunity had worked only for white males. Outcomes of education in terms of personal fulfilment, citizenship and the labour market were different for women, Maori and Pacific Islanders. Challenges to schools to provide equality of outcomes for student life chances rather than just equality of opportunity were increasingly influential as the 1970s progressed. Middleton (1988) provides a collection of analyses of the changing perception towards girls and education. Graham Smith (1990) and Kathie Irwin (1990) are two examples of a burgeoning literature in Maori education. Jones (1991) addresses the effects of race, class and gender on Pacific Island girls. The myth of equality of outcomes, however, still operated within the priorities of personal fulfilment, citizenship

and preparation for work although as the post-war period progressed, the respective prioritisation increasingly came under pressure

Both the myth of equality of educational opportunity and that of equality of results will be subsumed under the heading of KWNS education settlement for the purposes of this thesis. This is not an attempt to undermine the distinction drawn by Beeby and Renwick, but rather to emphasise the similarities between the two as compared with the abrupt break with the past, initiated by the Treasury briefing in 1987. What the myths of both equality of educational opportunity and equality of results had in common was not only the fundamental principles set by Fraser and the Thomas Committee, but also the continuation of certain underlying tensions that did not become critical until the new Treasury myth of 1987 made them prominent.

### **Theory and Educational Research within the Keynesian Welfare National State**

The myths described above provide the ideological vision against which educational practice was measured. But what were the educational research and ideas that informed teachers' work?

In order to discuss these coherently and to ensure that they are related to the role of the state in education, the following table juxtaposes the goals for New Zealand schooling established early in the KWNS educational settlement (Renwick, 1986a) with the three functions of the state under capitalism (Dale, 1990). Ensuing discussion refers back to the categories thus established.

State	Education
1. Direct support for the process of capital accumulation, including the labour market.	Preparation for working life. Recognised by qualifications. Scientific & technological progress important.
2. Provision of a social climate conducive to the continuing expansion of capital accumulation.	Part of the Welfare State - state funded - state provided - state regulated
1. Legitimation of state processes and its own role in them.	Self-fulfilment. Citizenship. Education leads to social mobility.

**Figure 5: Education and the three conditions for the social existence of capitalism**

While New Zealand is the geographical focus, international research and literature, particularly that of the UK and the US, is of relevance because these two countries in particular have been influential in shaping the intellectual discourse of New Zealanders. The effects of international research have been brought here by the immigration of scholars and by periods of overseas study by New Zealanders. For example, the effects of the different schools of thought in the philosophy of education at various of New Zealand's universities and teacher training colleges and their students and staff, has been traced (Clark, 1982). New Zealand has also developed its own educational research and literature. Middleton (2001) has examined the fields and scope of PhD theses in education between 1948 and 1998.

Educational sociology as a subsection of sociology was a late developer and therefore theories about education and its relation to the rest of society were largely developed post-war within the settled economic and ideological environment of the KWNS state. The beginnings lay within the structural functionalist approach to sociology and emphasised the values of societal stability brought about by social integration and consensus (Floud & Halsey, 1958:171). Analyses of education were not completely devoid of connection with its economic value but stated concerns were with distribution as well as production, social order as well as economic progress and the quality of social life as well as the quantity of economic resources (Karabel & Halsey, 1977:6).

In educational literature, therefore, the context of the welfare state and the role of the state in education were largely taken for granted.<sup>3</sup> Analysis of the functions of education was linked to the technical requirement of jobs. This technical-functional theory of education led to a concern with the role qualifications play in competition for placement in occupations. If equality of opportunity was the focus, then social mobility was assumed to be a consequence of schooling. The causes of inequality were related to social stratification and social class, and research focused on how the processes of schooling affected them.

Empirical studies in the US on the sources and perpetuation of inequality complemented action research approaches of the UK (Karabel & Halsey, 1977). Both of these approaches were influential in New Zealand (Middleton, 2001). New Zealand research followed American empirical studies into occupational mobility (Blau & Duncan, 1967), race (Coleman et al., 1966), and the limitations of education as the primary instrument for reducing social stratification (Jencks et al., 1972). Following Coleman's work came the distinction between equality of opportunity and equality of results. In New Zealand this theoretical strand became influential as attention to the outcomes of schooling for Maori and women developed. The advent of the new social movements of the 1970s moved the early focus on class as the cause of inequality to make race and sex of equal importance.

Neo-Marxist theory influenced educational theory from the early 1980s (Middleton, 2000). As the myth moved from equality of opportunity to equality of outcomes, the emphasis of educational theory moved to an interest, more explicitly, in schooling as serving the needs of capital and as a source of legitimation of capitalist values (Bowles & Gintis, 1976; Willis, 1977). Althusser conveyed in his concept of Ideological State Apparatuses the idea that schooling reproduced labour power, not only in the skills it conveyed, but also in subjection to the ruling ideology of the hierarchical division of labour (Althusser, 1971).

Bowles and Gintis (1976) were influential in arguing a "correspondence" between the hierarchical division of labour in the workplace and the structures and processes of

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<sup>3</sup> Level 2 of Figure 5 above.



schooling that prepared students for their hierarchical place in the labour market. An example of “correspondence” between the workplace and the school is between pay which provides an incentive in the workplace and examination grades which provide an incentive in the school (Karabel & Halsey, 1977:34). In this way it was argued that education was important in reproducing a system of structured social inequality.

Strong criticisms of Bowles & Gintis’ correspondence theory were mounted. The strongest queried the determinist tendency of the theory. It assumed that if the economy changed, education changes would automatically follow.

Within the confines of the correspondence principle a revolutionary change in the economy would, of course, lead to a transformation of the educational system, but this way of posing the problem leads to the very general question of the conditions that lead to a revolutionary rupture (Karabel & Halsey, 1977:41).

In the light of subsequent events, it may well be that the correspondence theory is due for reconsideration. The regulation approach connects the economy and education through the mode of regulation. A major change in one would be expected to bring about a major change in the other, not in a determinist sense, but in the sense of the dynamic interaction of institutions. Major changes in the economy took place in the 1980s (Roper & Rudd, 1993), and the education system, along with other operations of the state, also went through change. Although correspondence is not developed in this thesis, it is worth noting that this case study involves an exploration of how the state sought to bring about change in the education system. The application of neo-liberal views on the economy was extended through compatible policy proposals to the role of the state within society, including education.

The 1970s and early 1980s saw an interest in culture generally in sociology (Centre for Contemporary Cultural Studies, 1981). The acceptance of the general principle of the social construction of reality, combined with studies in the sociology of knowledge, brought about research into socially controlled cultural transmission (Karabel & Halsey, 1977).

Bourdieu (1977) in France drew a distinction between cultural reproduction and social reproduction. From the viewpoint of capital, the allocation of which people are assigned to particular roles within capital is immaterial. A distinction can then be

drawn between the social reproduction of capital and the processes that are at work assigning and valuing individuals for their place in society. Bourdieu's use of the term *cultural capital* to denote variation in life chances of individuals is useful here (Bourdieu, 1977).

Another device for analysing the processes of schooling was that of the hidden curriculum (Apple, 1979). It was argued that the covert processes of school and classroom produce an achievement and marketplace ethic suitable to the society in which they are embedded. The value system can either reinforce or be at variance with the student's previous life experience.

Post-war educational theory, then, was a complex interweave of attention to the connections between education and occupational positioning and increasing attention to inequality and the micro-processes of the classroom. Theories of education were concerned with reconciling education's perceived role for capital and its legitimisation function of providing equality of opportunity.<sup>4</sup> In summing up the strands of the discourse of education in the KWNS that led to the continuities that formed the PPTA's discourse, it is placed more specifically within the concerns of secondary teachers in New Zealand at the time.

The Cold War was instrumental in accenting material and technological progress (Karabel & Halsey, 1977:8). Educational emphasis on science and engineering became increasingly important. Expansion of secondary education occurred to meet this need. Numbers of students in secondary schooling also increased because of the post-war baby boom. In New Zealand, qualified teachers with the necessary technical expertise for the expanding secondary population were in short supply. This was a factor influential in the PPTA's emphasis on trained and qualified teachers (see Chapter 5). Early issues of the *PPTA Journal* (1955–1957) attest to a qualified teacher shortage of crisis proportions. There was therefore concern about New Zealand's ability to educate for the scientific and technological future. The emphasis was therefore on expanding the nation's technical competence. Pressure for economic efficiency to the schooling system came later as pressures on the Welfare State created financial difficulties for government funding of social services.

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<sup>4</sup> Levels 1 & 3 of Figure 5.

In New Zealand, class as a cause of inequalities did not receive the same emphasis as it did in the UK. Qualifications were important in the labour market and therefore created a demand for secondary schooling. They were enmeshed in pay rates with, for example, School Certificate commanding a higher pay rate in many trades and technical occupational Awards. Qualifications also determined acceptance for the civil service (Henderson, 1990). Qualifications therefore became an organising principle for secondary schools and tended to replace class as the tangible factor for labour market placement in New Zealand (see discussion in Meikle, 1961, for meritocratic assumptions). This is not to say that class did not operate, but social mobility via qualifications was taken for granted in an expanding economy (Openshaw, 1995:76). It was argued in an early issue of the *PPTA Journal* that three main steps had been instrumental in achieving equal employment opportunities for all. These were the raising of the leaving age to 15; the School Certificate Regulations of 1945; and social (or age) promotions in primary schools.<sup>5</sup> All of these were related either directly or indirectly to qualifications.

### **The Keynesian Welfare National State Partnership**

Partnership over educational matters between government, the Department of Education and the PPTA as the representative of secondary teachers was strong right through the period of the first myth. There is early evidence of the Minister of Education relying on the PPTA to set educational standards and to support him in his endeavours to create a quality secondary education system. He said to the PPTA Annual Conference in 1956,

I beg you to fight for the maintenance of standards even if it means some addition to the burdens you already carry.<sup>6</sup>

The Director-General of Education, Clarence Beeby, regarded both the Department of Education and the PPTA as professional colleagues. The PPTA wrote to Beeby congratulating him on the occasion of his conferral with the Order of St Michael and St George. He responded:

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<sup>5</sup> *PPTA Journal*, 3, 9, October 1957.

<sup>6</sup> *PPTA Journal*, 2, 7, August 1956

... well aware that, as recipient of the honour, I am little more than a trustee for the teaching profession as a whole, but that only adds to the pleasure of receiving the good wishes of colleagues in the field ...<sup>7</sup>

Bill Renwick, who followed Beeby as Director-General of Education through until the end of 1987, saw the partnership between the Department of Education and the teacher unions during the period of the second myth in similar terms.

The way the Department was perceived by quite a lot of influential politicians, certainly in the Labour Government, was that we were merely lackeys of the teacher unions. It was a complete misunderstanding. The conceit we had about ourselves was that we had a very good and a very competent core of professionals, every single one of whom had been a teacher and still thought of himself or herself in relation to the teaching profession. If there was a good idea in the PPTA or the NZEI or in some professional organisation we would almost certainly have somebody who was able to relate to it, recognise it, learn from it, maybe contribute to what we would see as a professional debate, and our conceit about ourselves was that in terms of what we were on about we were only too happy to have people outside in the profession also affirming the same kinds of things. And given the way politics had developed in a corporate state over a period of 50 years, it was always a plus for us when, say, a teachers' organisation was coming in on some curriculum matter and affirming something that they thought important, for us in our notes for the Minister, to affirm the idea also and say, yes, this is a very good idea. You might wish to ask them about this and this and this to probe the idea further. We simply took it as part of our role as what we would regard as professional advisers inside the House to be up with the professional play in New Zealand and elsewhere.<sup>8</sup>

Russell Marshall, Minister of Education in the Labour Government from 1984 to 1987 also saw the partnership positively.

... at the secondary, primary and pre-school level [NZEI and PPTA and KTA] were all hugely influential in policy issues. PPTA Conferences were policy conferences, they weren't union conferences ... Senior school assessment was a big issue with the PPTA. That wasn't a union issue. It was an issue to make education more effective. ... Corporal punishment issues were debated at PPTA. Curriculum issues were debated at PPTA. ... this business of dividing policy development from implementation was ridiculous because some of the best ideas in policy came from the practitioners.<sup>9</sup>

Interestingly, by 1984–87, the partnership came under criticism more from the PPTA than from the other two partners. For Marxists, the state had always been seen as a

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<sup>7</sup> *PPTA Journal*, 2, 6, July, 1956.

<sup>8</sup> Interview, Bill Renwick, 5 July, 1995

<sup>9</sup> Interview, Russell Marshall, 13 February, 2002.

repressive state apparatus (Althusser, 1971). Increasingly, analyses within feminism and the Maori renaissance saw the problem in the state 'out there', including Ministers and the bureaucracy as part of the patriarchal and colonial problem (Sassoon, 1987). This construction of the state as part of the problem resonated with neo-liberal analysis of the state and this formed a continuity between the two discourses. In New Zealand, however, the welfare state was also seen as part of the solution as well as part of the problem. Increasing demands were made on state resources in order to address sexism and racism in classrooms and schools.

### **Discontinuities in the Discourse**

It is important to note, for a regulation analysis, that the KWNS educational settlement portrayed above was not without tensions. All tensions became more important as the settlement disintegrated in the 1980s in the face of the interacting discourse.

Renwick (1986a) identifies three tensions in particular. One was the necessity of developing highly qualified pools of talent to maintain New Zealand's place in a developing scientific and technological world. As well as creating a demand for those skills in secondary schools, the sixties and seventies saw a large, expensive increase in university and polytechnic education. Encouraging a meritocracy in this way was not seen as in conflict with equality of opportunity as long as admission policies to universities were "open". However, it did, in fact, produce a two-tier system of occupational opportunity for those with tertiary education and those without.

Secondly, like other Atlantic Fordist countries post-war, education in a welfare state required greater and greater expenditure. This was partly due to an expanding secondary and tertiary education system, partly due to the post-war population boom, but also due to ever-increasing demands created by the very notion of equal opportunity itself. This was identified above in terms of equity demands and resources to address racism and sexism. A third tension lay in the criticism of the egalitarian ethos by those who were committed to traditional values of quality in education. The proponents argued that an equal opportunity system led to mediocrity and the erosion of educational standards (Renwick, 1986a). It was this adherence to traditional academic values in

education that made it easier for some principals to break away from the PPTA in 1988 (see Chapter 8).

A further tension was identified by Barrington (1981). From the seventies on, parents had been pushing for more involvement in school decision-making. While secondary school boards of governors had considerably more powers than school committees in primary schools, they had been overshadowed by bureaucratic procedures emanating from the Department of Education. Again, while the Secondary School Boards Association (SSBA) had power at the national level, parents at the local level felt dissatisfied with the involvement they could have in schools. They had not been part of the partnership between Minister, Department and PPTA.

These tensions were exacerbated by rising unemployment through the seventies. Unemployment increased from 1975 with resulting pressure to put more emphasis on schooling as preparation for working life. This became a priority for many parents as the potential for unemployment for their children increased.

The myth of equality of opportunity in the KWNS education settlement did not completely eclipse the influence of human capital theory on the economics of education (Marginson, 1993). Human capital theory views education as a form of investment in skills and knowledge. Investment in education is argued to facilitate economic growth in two ways; firstly through the fostering of technological innovation, and secondly by increasing the productivity of labour. While these assumptions had been influential in justifying economically an expanding education system, the economic boom of the post-war years served to emphasise social rather than economic consequences of the education system until strains in the economy began to appear (Marginson, 1993).

In New Zealand, preparing students for working life had always been a goal of the meritocratic approach to credentialism in secondary schools, particularly for those of lower “ability” (Shuker, 1987:119). In the KWNS, however, this role of schooling was downplayed in teacher discourse, except in relation to those in technical classes, in favour of the self-fulfilment of the brightest minds (Meikle, 1961). This began to change as unemployment rose and the diversification of New Zealand increased.

Human capital theory, then, provides a link between the period of the KWNS and the emergent stronger discourse linking education with the economy. Marginson (1993) argues this and traces its origins in seventeenth-century scientific and liberal notions of the individual, freedom, and the market, through Adam Smith's economic approach to human capital ideas to their further development by Keynesian and neo-classical economists.

All of these tensions were growing in importance until, by 1984, the education system was increasingly being seen, not as part of the answer to economic and social well-being as it had been since 1939, but as part of the problem (Renwick, 1986a:18). Teachers, however, had been trained in the values of the KWNS education settlement, most had spent a large part of their working lives implementing those values, and equity concerns still lay within the principle of fulfilment of the individual and preparation for citizenship. Emphasis had shifted, however, to the provision of equitable outcomes. The problem of preparation for working life, while having been identified as a problem with increasing unemployment, had still not displaced the others from within the discourse.

Openshaw (1995) relates the unresolved tensions in the KWNS educational settlement to a question largely unaddressed by education policy and policymakers since 1939. What was secondary education for? The relationship between schooling and capitalism, between preparation for society and preparation for work has always been ill defined at best, unaddressed at worst. This was evidenced throughout the period of the KWNS education settlement by the perpetuation of the parallel co-existence of general education courses and vocational education in the same or separate schools. Openshaw's question identifies a lacuna in the discourse of secondary education which the neo-liberal discourse could occupy with its economic analysis of the functions of education (Treasury, 1987).

In relation to Dale's diagram of the triangle of tension,<sup>10</sup> we have already seen the argument that this tension is endemic in capitalism itself and can never be definitively resolved. Education forms part of the mode of regulation. Institutions in society as a whole are constantly in tension and the best that can be hoped for is broad ideological

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<sup>10</sup> Chapter 2, Figure 3, p 30.

agreement of values that inform education policy for a time. Analysis of secondary education as the path to occupational employment has therefore always been problematic. In the KWNS, a period of prosperity and security in New Zealand within the Welfare State made it possible to place an emphasis on legitimisation as long as the system still continued to support capital, even though this was not always transparent at the time.<sup>11</sup>

It can be seen, therefore, that the roots of the secondary teachers' discourse within the KWNS education settlement were diverse. They did not form a monolith of principles that all teachers held. But the concerns and boundaries of their work and the way they theorised that work lay within an overarching idea that privileged legitimisation roles of individual fulfilment and citizenship over support for capital. These ideas were challenged in New Zealand by the new education project theorised by Treasury and implemented by government and the State Services Commission.

The tensions identified above within the KWNS education settlement resonated with the interacting discourse of Treasury in significant ways. Criticisms from within the neo-liberal discourse of state funding of education occurred at the same time as critics of equal opportunity were pointing out that it had worked only for some. The push for greater self-determination by Maori could be accommodated within a neo-liberal discourse of criticisms of the welfare state and the push for greater self-reliance. Accelerating demands for government expenditure produced a crisis at the same time as theories were developed regarding the reduction of state involvement in core activities of the welfare state. And the push for educational standards gained momentum as demands by Maori and women were seen to be deflecting attention from the core concern of educational excellence.

Thus, the tensions that had been transparent emerged from the status of discontinuities with the KWNS educational discourse to become the continuities with the interacting discourse. The economics of human capital theory continued into the notion of education as a personal investment. The traditional partnership described above between the Minister of Education, the Department of Education and the PPTA was repositioned as provider capture. Teachers and the profession were redefined as a

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<sup>11</sup> Figure 5 above.



problem for education. Pressure for parental involvement became harnessed to the devolutionary parts of the discourse.

Overwhelmingly, however, these all contributed within the discourse to an intent to demolish the welfare state and privatise its functions (Kelsey, 1993:43). Thus, the part of the educational discourse that had been taken for granted in the KWNS, the responsibility of the state to provide, fund and regulate education, became visible in the very moment when its assumptions came under scrutiny.<sup>12</sup> Self-interest was argued to be more important than self-fulfilment, and citizenship was redefined in terms of human capital. Thus, in terms of Figure 5, all parts became either unstable or changed. To teachers accustomed to the educational discourse in the KWNS, the attack on the Welfare State was a debate to which they had not given much thought.<sup>13</sup> Basic concepts like education for citizenship and fulfilment of the individual within the overarching concept of equal opportunity were being challenged.<sup>14</sup> Even the role of teachers within the KWNS had been redefined as a problem rather than a strength. An attempt was being made to place education almost entirely in the service of capital accumulation and the labour market.<sup>15</sup>

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<sup>12</sup> Figure 5, Level 2.

<sup>13</sup> Figure 5, Level 2.

<sup>14</sup> Figure 5, Level 3.

<sup>15</sup> Figure 5, Level 1.

## **Chapter 5**

### **Teachers, Professionalism, Pay Fixing and their Union**

#### **Introduction**

The education settlement of the Keynesian Welfare National State (KWNS) also shaped, more tangibly, what teachers understood about their profession, their professional organisation and the way their wages and conditions were set. Their participation in shaping educational policy as well as implementing it, combined with the stability and prosperity of the welfare state, brought about a close identification with the education project. Other aspects of the operation of the political settlement within the mode of regulation of the KWNS were seen by teachers through the lens of education.

An effect of this was to produce a certain isolation from, and arrogance about, the processes by which pay rises were achieved. It is difficult to adduce evidence of an awareness that is lacking, but an extensive search of the PPTA's own files through the 1950s, 1960s, and 1970s identifies teachers' salaries, staffing, standards, curriculum and other issues specific to education as the focus of concerns. It is not until 1979 and the appointment of a professional salaries officer to the PPTA that papers begin to place the endeavours of teachers and the PPTA in a wider context of state sector pay-fixing.

Thus, like many other state employees in the KWNS, the arrival of pay rises in the form of annual increments and via the Annual General Adjustment required no great thought or preparation by teachers. They were simply part of the machinery of education. Similarly, conditions such as leave were pronounced upon after consultation by the school principal with the relevant bureaucratic administration manual. For most teachers, therefore, their professional organisation, the PPTA, was there to further the cause of education which included their own conditions of service.

Thus it was easy for the concept of professionalism to encompass everything that pertained to the work of teachers in the KWNS. This included improving the quality of education through their teaching, through improvements to pay, through improvements to staffing levels, through improvements to the curriculum and assessment. This is not to say that the central office of the PPTA was unaware of the wider industrial and political context, but it is to point out that, until the KWNS began to disintegrate, the bulk of the membership of the PPTA (apart from activists) did not concern itself with industrial matters.

In this chapter, the more practical context within which PPTA activities were situated prior to 1984 will be considered. The chapter consists of four parts, dealing with: professionalism; the *State Services Conditions of Employment Act, 1977*; the structures and processes of the PPTA; and the PPTA's long involvement with developing fair and effective procedures to deal with teachers suspected of being incompetent or in need of discipline. All of these factors had a significant influence on the PPTA's response to the restructurings of 1984–89. They also illustrate further the way in which the activities of PPTA were intimately interwoven with the administration of education.

The concept of professionalism will be considered first. Its use here as an overall identifier of the concerns of the PPTA through its short history from the 1950s will be justified. The term was in general use as a descriptor of the activities of teachers – by the Department of Education, by the various committees set up to investigate aspects of education throughout the post-war period, as well as by teachers themselves. In particular, the PPTA approach to accountability will, for reasons of shorthand, be described as a 'professional' approach to accountability.

This will be related to the system of pay fixing under the *State Services Conditions of Employment Act, 1977*. Strengths and weaknesses of the Act from the PPTA's viewpoint will be identified.

The organisational form of the PPTA will then be described, and justification made for closely identifying the concerns of secondary teachers with the concerns of the union. In particular, justification for regarding the PPTA as the collective voice of secondary teachers will be made.

The chapter will conclude with a lengthy section on the history of approaches to teacher discipline and competence before the education reforms. The PPTA's key role in developing the procedures that were used and the critical part they played in the PPTA's professional project will be identified. The roots of the PPTA's obdurate opposition later to proposed changes in this approach are established.

## **Teacher Professionalism**

In educational literature, the concept of professionalism is often used to identify teachers' approach to industrial relations with the implication that it distinguishes an approach that is different from that of other workers. The concept is also used in the sense that there are material interests of teachers (industrial) that can be separated from their concerns for the content and practice of their work (professional). And again, professionalism can be used to denote an approach to teachers' work that subsumes both industrial and professional concerns under the heading of conditions of service. Under the latter approach, all concerns of education become the occupational conditions of service for teachers. This is analogous to the approach of unions when they argue that the concerns of work practices are legitimate concerns of workers. Workplace reform of recent years is a good example of this. A close examination of the title of an article by Capper & Munro in 1990, *Professionals or Workers? Changing Teachers' Conditions of Service*, reveals that any or all three of these meanings can be read from it.

The concept of professionalism has been analysed extensively in a literature of its own. Friedson (1986) argues that current definitions of which occupations constitute a profession and of professionalism itself are inadequate. Debate before the 1970s concentrated on professionalisation as though it was a dynamic process through which some occupations could pass in order to become a profession. Structural-functionalist writers described the phenomenon and attempted to isolate the characteristics or traits which separated a profession from other occupations. The 1970s saw the emphasis shift toward issues of conflict and power. Friedson (1986), Johnson (1972) and Larson (1977) have all variously analysed professionalism with respect to its relation to

ideology, monopolistic privilege in the labour market, and control over work. A lack of an adequate theoretical foundation for the study of professionalism has been identified as limiting further analysis (Friedson, 1994).

Certainly, all three approaches to professionalism can be used to describe some aspect of PPTA activity in the past. Larson's (1977) succinct description of professional privilege in the labour market can be applied to the skilful use of arguments by the PPTA in times of teacher shortage to make substantial gains in economic rewards.

Professionalization is ... an attempt to translate one order of scarce resources – special knowledge and skills – into another – social and economic rewards. To maintain scarcity implies a tendency to monopoly: monopoly of expertise in the market, monopoly of status in a system of stratification.

(Larson, 1977:xvii)

Education policy has been related to forms of control, one of which is that of professional norms and styles of work (Weiss, 1992). The relative autonomy of the classroom and therefore the control that teachers exercise over the outcomes of education policy has already been established in Chapter 2.

Further, Friedson's (1994) discussion of professional ideology is a good description of the PPTA approach in succeeding chapters.

... professional ideologies are intrinsically imperialistic, claiming more for the profession's knowledge and skill, and a broader jurisdiction, than can in fact be justified by demonstrable effectiveness. Such imperialism can of course be a function of crude self-interest, but it can as well be seen as a natural outcome of the deep commitment to the value of his (sic) work developed by the thoroughly socialized professional who has devoted his entire adult life to it.

(Friedson, 1994:69)

All three of these models were seen in an experiment conducted with a group of PPTA activists in preparation for this thesis. They were presented with two models, one of profession as service and the other as profession claiming a privileged place in the labour market. In the discussion by the activists, which followed, both were asserted as legitimate models, with the models becoming entwined in debate so that they were not seen in opposition to each other. Sometimes the same speaker would argue vociferously that there was a self-sacrificing element of teaching which put students first,

immediately before arguing equally vociferously for the legitimacy of the theory that professionalism could and should preserve a privileged place in the labour market. The multi-layered argument, intermingling seemingly contradictory approaches to professionalism seemed to imply an ideological component to the discussion.

The concept of provider capture, discussed more fully in Chapter 6, equates the notion of professionalism very strongly with self-interest and the desire to maintain a privileged place in the labour market. What this discussion is seeking to establish, however, is not one correct interpretation of professionalism to seize on and use, but what it meant to the parties involved in the Long Negotiation. The State Services Commission labelled claims to professionalism by teachers as provider capture. This was legitimate in all of the ideological, theoretical, and political ways it was used in support of the SSC position. By the same token, professionalism was used by the PPTA to describe its legitimate pay and conditions claims, its concerns for education in terms of the quality of education, and its beliefs as an occupation. Needless to say, this difference in perspective did not lead to easy communication.

Within this context, therefore, professionalism will be used in this thesis to describe the educational, political and industrial project of the PPTA throughout the period. This is a more specific sense than the broadest possible ideology of the KWNS as described in Chapter 4. It contains within it the tensions established in this section.

### **Teacher Professionalism and the State**

An original exploration by Larson (1989) within the literature of professionalism about the changing functions of lawyers in the liberal state can be developed into a parallel argument for teachers in their relationship with the state. Larson argues that there is a political core to the historical role of lawyers in standing on behalf of and instead of their clients before the law and the state. This distinguishes lawyers from other professionals.

It could be argued that in exercising their traditional *in loco parentis* role, teachers carry out functions on behalf of individual children and parents from within and before the state. Thus, teachers mediate between parents and the state, between the private and the

public side of education, and their work is performed at the intersection of familial and state authority. Their direct relationship with children in the relative autonomy of the classroom places them in a privileged position to represent the educational project of the state to children and their parents, and to represent the needs of parents and children to the state. To use Larson's argument, there is a political core to teachers' role in standing on behalf of and instead of parents in relation to the educational needs of their children, before the educational goals of governments.

In terms of Dale's triangle of tension in the public world of the political economy, it is left to teachers to articulate the public world with the private world of the family. In viewing the work of teachers with this public/private metaphor, it supports the argument put forward in Chapter 2 that teachers, and the parents and children with whom they interact, are all in interaction with the political project of any government, and the stability or instability of any particular regime will be affected by this interaction.

It could be further argued that teachers occupy an ambivalent position between the private and the public. Johnson (1972) remarks on medicine and its intimate relation to what is normally taboo – access to the body in a non-intimate relationship. It is possible that teachers also encroach on the taboo – the state compels parents to give teachers access to their children in a caring and learning relationship, which is not intimate.

This depiction of the position of teachers within the state does not sit easily with the managerial model of provider and client, and of teachers as the capturers of resources. The education reforms of the 1980s reoriented the relationship between teachers and parents by confining teachers to their employment role without input into education policy. It was intended that the teacher role become largely technical in supplying children with the curriculum demands of government. The managerial model replaces teachers as mediators between parents and government with parents as contractors of teachers on behalf of the government project. Under this model, it is not clear what representational role, if any, teachers should have in resolving the tensions that are likely to arise from the different roles of education.<sup>1</sup> The state has contracted parents as their agents in the public function of education. Parents interpret to teachers the public

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<sup>1</sup> Figure 5 p 63.

needs of education while teachers still have more knowledge about what occurs in the classroom.

Parents have thus been given the role of representing public or state policy to their own children. The state retains close control over such matters as curriculum. How are parents to represent curriculum needs to those expert workers who still have control of the classroom but no representational link with government and its educational agents?

By applying the New Public Management model to education, a layer of articulation between the public and private has been removed. This has altered radically the means by which the state can change in response to changes in other institutions. It would seem that the NPM model is at variance with an important function that teachers used to perform. Some form of mediation between public and private seems essential while the state compels parents to send their children to school and still retains control over the curriculum and assessment. If this mediation is not provided, then it appears that the system will be unstable.

This preliminary discussion arising from theories of professionalism enables us to appreciate in greater depth that the repositioning of teachers from the KWNS partnership with other government agents such as the Department of Education to an employment relationship only has significance of greater complexity than just that of a change in industrial relations law or a change in educational administration.

### **Education Industrial Relations and State Pay Fixing**

In 1984, the legislation governing state pay fixing was the *State Services Conditions of Employment Act, 1977 (SSCE Act)*. The *SSCE Act* was a continuation of trends in state pay fixing since 1962. The principle of fair relativity with the private sector for state servants was established by the *Government Services Tribunal Act, 1948* and improved upon through the *State Services Act, 1962*. Until 1948, unlike the private sector, there had been no effective collective bargaining rights for state servants and no compulsory arbitration (Walsh, 1993). These were outcomes of the manner with which successive governments before 1948 had resolved the central dilemma over the dual role of



employer and legislator (Walsh, 1991a). Before 1948, pay rates for public servants had largely been determined unilaterally by governments.

The *Government Services Tribunal Act, 1948* commenced an era of state pay fixing where the principle of fair comparability with the private sector was implemented via the mechanisms of pay fixing criteria, centralised collective bargaining, and compulsory arbitration (Walsh, 1993). The system evolved over the years and by 1984 had developed its distinctive form that influenced the events of 1984–1987.

The *SSCE Act* provided for service organisations or unions covering different sections of state employees to bargain on behalf of their members. They did not have to be registered as unions. The PPTA was registered as a Society of Teachers under the Education Act (Bunker, 1990). The state unions were national bodies and, except for the Fire Service, Railways and Post Office membership was voluntary (Rodger, 1986). The PPTA covered all teachers in secondary schools throughout the country and had voluntary membership. The Combined State Unions (CSU) was the central body to which most state unions were affiliated. Its secretary, by custom, was also the secretary of the Public Service Association (Bunker, 1990). The CSU negotiated on behalf of its affiliates with the central government agency over pay and conditions matters that covered state servants as a whole. Matters that were specific to separate sectors, however, were dealt with by the relevant organisation.

The principal mechanism for deciding pay was the general wage adjustment, based upon a survey of private sector pay rates. Initially based on the average private sector pay increase, the calculation of the Annual General Adjustment (AGA), as it became known, became more and more complicated as the effects of inflation and other complexities were taken into account. By 1987, the calculation was extremely complex (Bunker, 1990). What the AGA accomplished, however, was the provision of a relativity with the private sector that required little effort by those affiliates of the CSU that were too small or were not interested in taking specific occupational claims.

The Act also provided criteria against which claims on behalf of specific occupational groups could be argued. These included external comparability, vertical relativity, horizontal relativity, and recruitment and retention (Randle, 1982). For the teacher

unions that covered secondary and primary teachers respectively, the PPTA and the NZEI, the recruitment and retention criteria combined with relativity arguments were the criteria of most relevance to pay rises.

From the inception of the PPTA in 1952, teacher supply had been a core concern for an expanding secondary education system. The post-war “baby boom” and the raising of the school leaving age meant greater numbers of students were enrolling in secondary education than ever before, and this lasted right through the 1960s. This required, consequently, the employment of greater numbers of secondary school teachers than ever before. Changing technological demands in the labour market from the 1970s on also laid emphasis on secondary schooling and, in turn, required more highly qualified secondary teachers. The recruitment and retention criterion of the *SSCE Act, 1977*, was therefore very important to the PPTA in arguing for successive pay claims based on significant difficulty in recruiting and retaining secondary teachers. This, combined with relativities to principals of institutions in the tertiary education sector and comparisons with well-paid positions in the private sector, meant that the PPTA had increasingly gained specific pay increases additional to the AGA.

The relativity criteria enabled the NZEI to establish and re-establish relativities at a number of different benchmarks with the secondary pay scale (Bunker, 1990). Thus, at the conclusion of a successful pay claim by the PPTA based on recruitment and retention difficulties, this would be followed by a successful pay claim by the NZEI based on the restoration of relativities between the two scales. A fuller analysis of what has been termed a primary/secondary relativity ratchet (Walsh, 1990) is given in O’Brien (1990).

A compulsory arbitration mechanism was provided in the event that negotiating parties could not agree. The *SSCE Act* established four tribunals, covering different sections of the public service, as part of the Arbitration Court. They consisted of a Judge of the Arbitration Court, a member nominated by the government as employer party and a member nominated by the relevant union. Submissions and evidence were heard before the Tribunals as in the Arbitration Court (Randle, 1982). This arbitration process was a very important component in the ability of the PPTA and the NZEI to argue their claims successfully. The legal interpretation of relativity included historical relativities that

were an important component in the NZEI's success. The assessment of whether or not there was an abnormal recruitment and retention difficulty in secondary teaching was also decided in the Tribunal mechanism.

The process had a number of other advantages for the teacher unions. One was the essentially bureaucratic nature of the exercise, even though bargaining at the outset could be tough. If negotiations remained unresolved, however, the dispute could be referred to arbitration. The system also meant that the union could choose in some years not to lodge a specific occupational claim. Their members, however, still received a pay rise under the AGA mechanism. The union was then free to work through or with the Department of Education to achieve other priorities. In the PPTA's case this was their policy on the quality of teaching. The biggest disadvantage – which became increasingly important – was the lack of ability to negotiate matters other than pay in an industrial forum.

The *SSCE Act, 1977*, then, provided a system for fixing the pay rates of state servants that was perceived to be fair and provided for reasonably equitable outcomes provided the case argued was soundly based (Bunker, 1990). While it may appear from the above, and it has sometimes been argued, particularly from the viewpoint of the concept of provider capture, that the NZEI and the PPTA were somehow taking advantage of the system, the Act effectively provided a bureaucratic exercise which, if followed skilfully, resulted in a pay increase (Bunker, 1990). Increasing concerns about the ratcheting process within the State Services Commission and government provided a strong incentive for change (Bunker, 1990).

It should be noted that this historical relationship between the two pay scales of the separate teacher unions continued to have an influence even after the *State Sector Act, 1988*. While the case study involves the PPTA alone, a parallel set of negotiations was occurring between the NZEI and the SSC. While each union has had autonomous bargaining authority for their separate memberships, there has been an uneasy tension between the NZEI's desire for a unified pay scale and the PPTA's desire to make more of the recruitment and retention difficulty in order to achieve higher pay rises than would be the case if there were a unified pay scale (Bunker, 1990). The tendency of the SSC was to treat the conditions of both teacher unions the same. This became important

during the 1989 component of the Long Negotiation when NZEI reached a compromise over fixed-term contracts for principals of primary and intermediate schools. The compromise made it much more difficult for the PPTA to hold to a position of no compromise.

In summary, alongside the consensus of the educational settlement of the KWNS was a pay-fixing regime for teachers that included automatic pay increases with the possibility of extra rises if they could be argued convincingly in central arbitration. This acted to reinforce the confusion between teachers' conditions of service and the welfare of education within the idea of professionalism. It will be seen that the confidence with which the PPTA operated in this earlier industrial environment contributed to the confidence with which they entered the new one. Like the educational settlement, while the system displayed tensions and frustrated the parties from time to time, it wasn't until the reforming intent of the Fourth Labour Government that it came to an end with the *State Sector Act, 1988*.

### **PPTA as the voice of Secondary School Teachers**

The thesis uses the actions and papers of the PPTA during 1984–1989 to attribute these to secondary teachers as a whole. This assumption needs justification. Corporatist theory identifies a continuum along which interest groups are more or less able to be determined in their actions and accomplishments by their members (Offe, 1985: 236–242). The PPTA demonstrates a high degree of democracy in its practices. The ability of the PPTA to communicate with, educate and mobilise its members is critical to an understanding of the positions that were adopted in 1987–1989. By the same token, the ability of members to influence the strategic and policy directions of the union are critical to an understanding of the confidence with which the union could adopt confrontational positions with the government. As in any democracy, this does not mean there was unanimity of views and that conflict did not occur. The structures and processes were such that the entire membership could receive information from the Executive in a very short period and, conversely, if there was significant membership disagreement with the strategic direction of the National Executive, this could be communicated speedily in the opposite direction.

The PPTA was formed in 1952 and, in line with the KWNS partnership model between the PPTA as the voice of teachers and the Department of Education as representative of the government, its constitution reflected the dual concerns of secondary education and the members' own pay and conditions. In 1988, the Objects of the Association were stated to be:<sup>2</sup>

- (a) To advance the cause of education generally and of all phases of secondary and technical education in particular.
- (b) To uphold and maintain the just claims of its members individually and collectively.

Prior to the *State Sector Act, 1988*, PPTA members had displayed a degree of ambivalence between their commitment to professionalism and their rights to act industrially. Webster (1979:10) records, "This duality produces a conflict in many people, including members, among whom the issue of which should have priority at times produces lively debate." Further evidence of the existence of ambivalence amongst members is that a remit to the 1981 Annual Conference proposed that PPTA affiliate with the Federation of Labour. In the event, this was defeated.<sup>3</sup>

Following the *State Sector Act, 1988*, a teacher from Spotswood College records that the law had decisively resolved the ambivalence by defining all state sector organisations as unions. They had been placed under the same legislation, the *Labour Relations Act, 1987* as the private sector.

The debate as to whether the PPTA is a union or a professional organisation is over. The Government in its infallibility has answered the question for us. The State Sector Act 1988 has turned the PPTA into an industrial union and through the Industrial Relations Act 1987 (sic) we are now put into a situation where negotiations for wages and conditions occur in the same confrontational environment private sector unions have faced for years.<sup>4</sup>

The same writer sums up the general view of the PPTA of the period.

Prior to ... becoming a teacher I was a trade union organiser. The general consensus among fellow unionists was that the PPTA was a good union. It was democratic, it continued to win conditions well in advance of private sector realities and was well resourced. This combined

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<sup>2</sup> NZPPTA, *Constitution*, July, 1988. Subsequently, a third object, relating to *Te Tiriti o Waitangi* was approved by Annual Conference in 1989.

<sup>3</sup> *PPTA Annual Report, 1981*.

<sup>4</sup> Hellyer, Richard. Educating Ourselves as Trade Unionists. *PPTA Journal*, Term 1, 1989, p. 39.

with, by Aotearoa<sup>5</sup> conditions, large numbers of workers on the one site should be a recipe for success.

Membership of the PPTA is voluntary, but has always been high, approximately 97% at the period under consideration.<sup>6</sup> All secondary teachers are eligible to become members. Members in each school collectively form a branch of the union. It is therefore extremely easy for a branch to meet and discuss union matters. Meetings can occur at lunchtime or after school. It has mobilisation power, because the high level of membership combined with the constitutional coincidence of a branch and a school means that a meeting of the PPTA branch is effectively a meeting of the staff of the school. The management power of the principal at a staff meeting can be qualified by the calling of a branch meeting where the principal becomes an equal participant in a PPTA branch meeting under the Branch Chairperson. In 1984, the same high proportion of principals were members of the PPTA.

Branches of the PPTA feed into regional geographical groupings. There were 24 regions in 1986. Each region has a Chairperson, Secretary, Treasurer and Regional Committee. The regions co-ordinate branch membership activity and form an intermediate level between the branches and the national executive. The national executive is made up of representatives from each region. They are accountable to their regions. All positions within the union are elected on an annual basis. Delegates elected by regions attend the Annual Conference where the policy directions of the union are set. The national executive is subject to those policy directions.

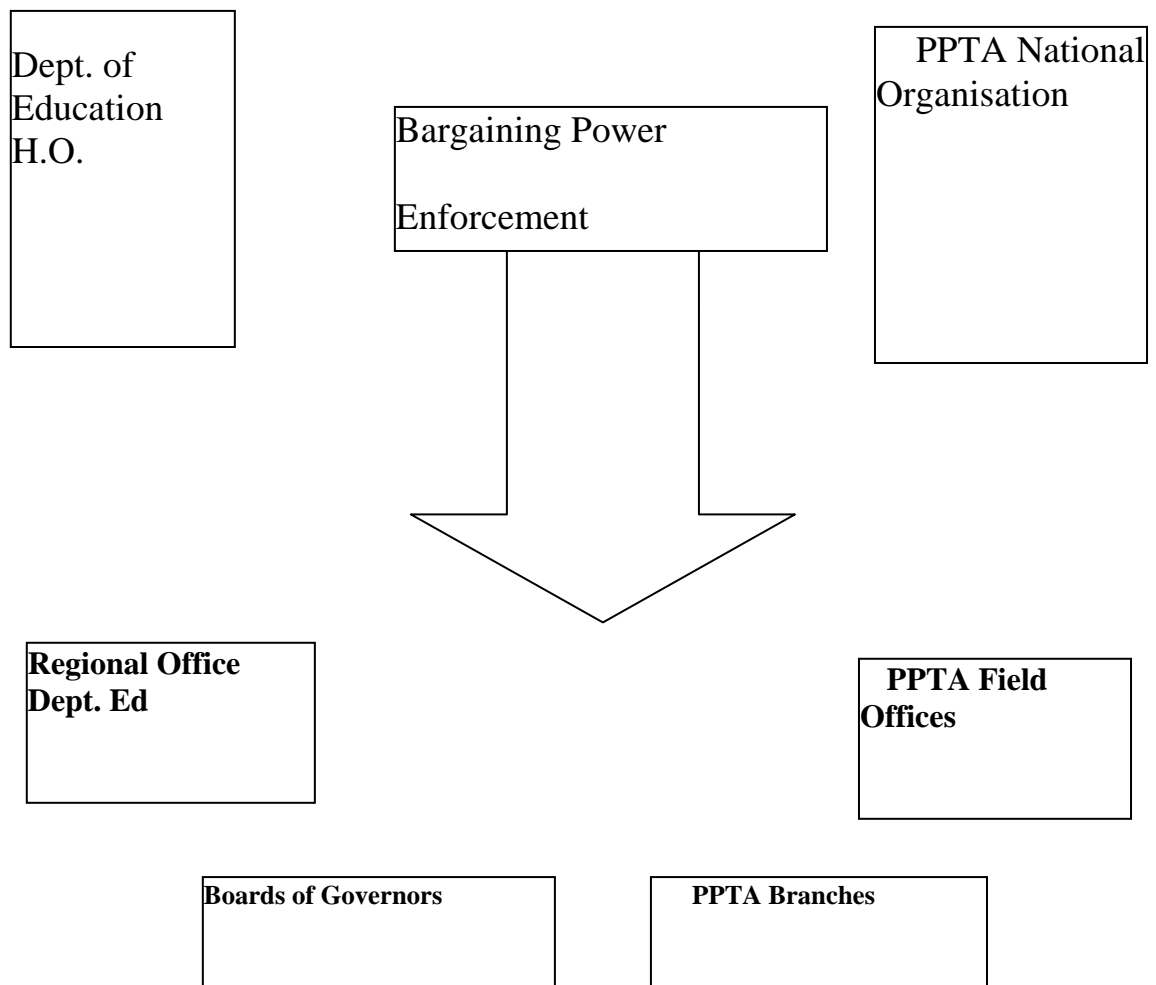
Along with its constitutional role to be concerned with educational matters, the structure of the PPTA closely paralleled the structures of the Department of the Education. Figure 6 is taken from a PPTA membership education pack in 1989. It portrays the highly centralised nature of the political and industrial contact between the PPTA National Office and the Department of Education. Regions of the PPTA paralleled the Regional Offices of the Department of Education and PPTA Branches existed at the level of Boards of Governors.

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<sup>5</sup> Aotearoa is the Maori name for New Zealand.

<sup>6</sup> Information in this section is derived from Annual Reports of the PPTA and a paper produced by the General Secretary in 1979 (Webster, 1979). Figures used are for 1986, that being the mid-point of the period under consideration.

## PRE 1989



Source: PPTA, 1989

**Figure 6: Structures reinforcing the KWNS partnership of education**

The national office consists of appointed staff who act on behalf of the national executive in communicating with branches, regions and advisory committees. Advisory committees form a separate structure of representation and policy development. They can be representative of specific groups of members, such as those in Area Schools, Manual Teachers, Principals, and Guidance Counsellors. They can also be formed for particular tasks, for example, sex equality, salaries and staffing. Nominations for representatives on advisory committees and task forces are called for nationally from the members. In 1986 there were 13 advisory committees and task forces. Effectively, they form national interest groups within the PPTA that can make recommendations to

the national executive who consider them in conjunction with those from Branches and Regions.

Communication of information or requests for activity can be sent outwards from the National Executive to all of these different structures – Branches, Regions, and Advisory Committees. Each of these in turn is a forum for membership debate. Branches, Regions, and Advisory Committees all send recommendations of majority views of their members back to the National Office.

As a large part of subsequent material is taken from these communications, an explanation of nomenclature is necessary. Written communications from National Office to Branches are labelled HO Circulars, to Regions the label is HR, to Advisory Committees HC, and to the Executive HX. Between 1986 and 1989 there was an additional form of communication to Branches in the form of circulars labelled CI. CI stood for Conditions Initiative and contained the urgent information and requests for activity to Branches. At this stage the HO Circulars were reserved for routine union matters.

Further membership communication was provided by two publications. The *PPTA News* was produced and multiple copies sent to all branches about 15 or 16 times a year and served two purposes. One was to keep members informed of developments in education and government that were relevant to them. It also served as a public relations document for communicating the PPTA's position on educational and industrial matters to the media and politicians. During 1984–1989 the *PPTA Journal* was also published three times a year and provided an opportunity for exploring themes in depth.<sup>7</sup>

During periods of high union activity in 1987–1989, telephone trees were set up so that the national executive could communicate with Regional Chairs who in turn could communicate with Branch Chairs all in one evening. With these structures and communication links it was not difficult for the whole PPTA membership to be informed of critical events in negotiations within 24 hours of their happening.

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<sup>7</sup> *PPTA Annual Report, 1986–1987.*



It is argued, therefore, that there is a wealth of material, which represented the views of a collective of teachers and revealed their view of themselves as a profession. At the time of the reforms of the 1980s the views of this collective over the impact the reforms would have on their work can be read from the PPTA's material. Analysis also reveals they were prepared to use the changed industrial environment and industrial action to protect what they understood to be their professional position in education.

The argument of the thesis so far has been that by observing the case study it is possible to watch the process by which the post-war education settlement was rendered unstable through changes in the state. The work of teachers has been included as a necessary component of this. It has been argued that the PPTA's communications and actions can be regarded as indicative of the views of secondary teachers at that time. The discussion of structures and processes in this section demonstrates that the organisation possessed a high level of democracy and accountability. Like any institution, however, tensions existed within the PPTA. One of those was the debate between the more traditional approach to excellence and standards taken by some of the more traditional schools and the so-called progressive approach to schooling. The lack of resolution to this debate resulted in a breakaway group of principals, the Secondary Principals' Association of New Zealand (SPANZ) forming in opposition to the PPTA's stance of opposition to the reforms during the Long Negotiation. A fuller discussion of this event is given in Chapter 8.

The interacting discourse treated society as individuals. In this discourse, unions become bargaining agents, with their only legitimacy being a clear focus on pay and conditions for members. The interaction of the SSC with the PPTA was based on the SSC's assumption that the industrial negotiations were about pay and conditions only. This was at variance with the PPTA's assumption that the collective voice of the union should be heard on all aspects of education.

### **PPTA and Accountability before the Reforms**

Because the retention of the regulatory system for teacher competence and discipline prior to 1989 became, essentially, a non-negotiable position for the PPTA during the Long Negotiation, it is important to understand the system and its development.

## **The professional understanding of accountability**

It has already been noted that the inception of PPTA coincided with a rapid expansion in secondary education. This was due to increased numbers of secondary school students, commonly known as the “baby boom generation”, the raising of the school leaving age, and pressure for greater scientific and technological skills. The expansion of secondary education continued right through until the late 1970s and created a corresponding need for secondary school teachers. This created major issues for successive governments. Building inadequacies, teacher shortages, class sizes, curriculum development and salary deficiencies confirmed a mix of issues that made up the professional agenda for the PPTA for many years. A dispute in the early 1960s over marking rates for School Certificate saw the first protracted industrial action, with teachers withdrawing their services over marking (Good, 1979).

By the 1960s, due to the chronic shortage of teachers, it was necessary to employ untrained and/or unqualified teachers simply to keep schools operating. In many communities, anyone who was prepared to teach became a subject specialist simply by being in front of a class. Some schools were even forced to send pupils home because of the lack of teachers. From the start, therefore, secondary teachers as a group were concerned to maintain the quality of education through setting minimum standards of qualifications and training for prospective teachers. This was complemented by pressure for maximum class sizes (Good, 1979). Improvements in salaries could be argued against the difficulty in recruiting qualified teachers. Concern for curriculum development that suited the needs of all students involved the setting up of a PPTA committee that resulted in the publication of an influential work on secondary education, *Education in Change* in 1969. *Secondary Schools in Change* in 1973 and *Teachers in Change* followed in 1974 (Good, 1979).

The first major improvement in salaries occurred in 1970, using the improved negotiating procedures of the *State Services Remuneration and Conditions of Employment Act, 1969*. This, combined with increased staffing levels, enabled the PPTA to focus on the need to improve the standards of entry to secondary teaching and systems to monitor competence after entry (Webster, 1979). The terms *profession* and

*professionalism* were used strategically and as a description of the need to have high standards of teaching.

The juxtaposition of the profession and teaching can be seen in a 1969 Annual Conference paper entitled “The PPTA as a Professional Body”.<sup>8</sup> This paper recommended that the Association establish itself as a professional body. Interestingly, so much did the PPTA regard itself as part of the secondary education endeavour, that it was resolved that the method for doing so should be by Parliamentary enactment. The unproblematic inclusion of negotiating rights along with moves to control entry standards can also be seen. The recommendation read:

That a Parliamentary Bill be drafted with the aim of establishing the Association as a professional body and of ensuring the maintenance of full professional standards in secondary teaching and covering the following basic points;

- (a) control of entry
- (b) establishment of privilege for membership
- (c) control of teacher training
- (d) discipline of members
- (e) conditions of service
- (f) PPTA the sole professional body of secondary school teachers, and the sole negotiator for secondary school teachers.<sup>9</sup>

The initial proposal for achieving this was via a Secondary Teaching Council that would have statutory authority to register all state secondary teachers. Registration would include minimum standards of entry and membership of the Association as a prerequisite. Confusingly, the PPTA would have the power to discipline members found guilty of breaches of its code of ethics, with the possibility of expulsion from the PPTA and consequently the teaching service.<sup>10</sup> It can be seen that, from the earliest years of its existence, the PPTA positioned itself in close alliance with government over standards in secondary education and had difficulty perceiving a clear separation between the respective roles of government and itself.

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<sup>8</sup> PPTA Annual Conference Paper, 1969, *The PPTA as a Professional Body*.

<sup>9</sup> HO71/44, 16 June.

<sup>10</sup> Annual Conference Paper, 1969.

It would appear that the Government did perceive this confusion and responded by claiming the ground and proposing a system of its own.<sup>11</sup> The PPTA then relinquished its claims to full professional autonomy and supported and participated in the development of a Departmental scheme for teacher registration (Good, 1979). A tripartite working party of the Department of Education, the Secondary School Boards Association (SSBA) and the PPTA was formed to work out the detail. This tripartite relationship between the Department of Education, the SSBA and the PPTA over teaching standards continued until the implementation of *Tomorrow's Schools* in 1989. However, the difference between the PPTA's insistence on high entry standards and its involvement in all parts of the disciplinary process and the SSBA's more pragmatic approach to staffing schools and desire for greater management power over teacher performance always defeated progress on teacher registration, again until the implementation of *Tomorrow's Schools*.

The Minister of Education set up a committee on the registration and discipline of teachers in July 1976. It was chaired by Sir John Marshall, a former Prime Minister, and contained representatives of the Department of Education, the SSBA and the PPTA. The Terms of Reference for the Committee were:

To review present arrangements for the certification, registration (including de-registration) and discipline of teachers, to inform itself of the statutory arrangements for other professions in this country, and to make recommendations.

*(Report of the Committee on the Registration and Discipline of Teachers, 1978)*

While the initiative over teacher registration had been reclaimed from the PPTA by the government, the contents of the report produced by the Committee endorsed the principle of teaching as a profession and emphasised teaching as a vocation, with its role as a source of income as secondary.

The Report defined standards that differentiated teaching from other, non-professional occupations.

In identifying a profession, three distinct standards emerge which differentiate a profession from other occupations: first, the acquiring of specialised knowledge by study, training and practice and the recognition of this qualification by a degree, diploma or membership of a professional body; second, the maintaining of high standards of achievement and conduct in the practising of

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<sup>11</sup> HX 71/95.

the profession, enforced by disciplinary provisions; and, third, accepting that, while a person practises a profession in order to earn a living, this consideration should take second place to serving the interests of the client (in the case of teachers, the student) who needs and seeks the guidance, instruction or assistance which the professionally trained person is qualified to give. By those standards, the Committee considers that teaching is a profession and that teachers are, and should be encouraged to regard themselves as, members of a profession.

*(Report of the Committee on the Registration and Discipline of Teachers, 1978:14)*

In this excerpt can also be noted the emphasis on entry qualifications, and the importance of disciplinary provisions.

Differences between teaching and other professions were noted. These included the fact that teachers were employees and the fact that education was compulsory up to the age of 15 years. Therefore, a strong element of public interest and concern in the profession of teaching was present. The captive clientele reinforced the difference between teaching and other professions. There was also explicit acknowledgement of the “in loco parentis” role which teachers were frequently forced to adopt. The Committee noted a further important aspect in that the professional relationship was conducted largely with groups rather than with single pupils and that the relationship was also a close and continuing one for a period of time. The Committee concluded that, in accordance with their professional status, teachers ought to have a code of conduct to which they should be expected to conform. A Teachers’ Registration Board was the mechanism to achieve this. The precise form of the Teachers’ Registration Board was discussed and became the source of debate and differences among the three parties, the Department of Education, the SSBA, and the PPTA for over ten years. A Teachers’ Registration Board was not formed until 1990 after the *Tomorrow’s Schools* changes to education administration had taken effect. By this time, of course, a very different approach to teachers’ employment and performance was being taken.

The Report of the Marshall Committee reinforced a distinction between the disciplining of teachers and teacher incompetence in the secondary service that had always been drawn. The distinction is not one strongly maintained in industrial relations as a whole. While legal argument over unjustified dismissal does draw a distinction between substantive matters and procedural matters, these are not equivalent to the distinction between competence and discipline. While there are differences in required procedures depending on whether an employee’s performance or conduct is in question, legal

arguments have not significantly separated the two. This is not the case in secondary teaching.

The strong distinction in the schools' system between conscious fault and wrongdoing and incompetence beyond the teacher's control is emphasised in the Marshall Report. The report records the difference:

... the institution of disciplinary proceedings can hardly be considered appropriate if the cause of the teacher's problems is beyond his [sic] control.

*(Report of the Committee on the Registration and discipline of Teachers, 1978:36)*

Over matters of teacher discipline, it was stated to be necessary to protect colleagues, the school, and the welfare of students. It states explicitly that procedures should relate to a teacher's standing and to the respect in which he (sic) is held. The procedures proposed were bureaucratic, legalistic and based on the principle of natural justice. For serious offences, a teacher should be deregistered and not permitted to teach anywhere in the country again.

Proposals with regard to teacher competence were less formal, but emphasised the vocational nature of teachers' work. Any proposal to call a teacher's competence into question should be with regard to the commitment the teacher had made in acquiring qualifications and training for use in the practice of his/her profession.

The Marshall Committee brought together several different perspectives on the matter of teacher registration and regulation of teachers. Underlying tensions existed between the SSBA and the PPTA but were not discussed in the Report. One difference was the professional demand of the PPTA that it should be present at all stages of any disciplinary process to defend its members. The other related to the PPTA's continuing concern to improve the entry requirements for those entering secondary teaching. The PPTA argued that secondary teachers should not only be trained in the skills of teaching but should also possess a subject qualification as evidence of competence in the content of secondary teaching. The SSBA, on the other hand, wanted greater management authority to dismiss and were more concerned with keeping schools open by recruiting teachers in sufficient numbers. From its point of view, higher entry standards, while

desirable, was a luxury the shortage of teachers did not allow. The recommendations from the Marshall Committee were never implemented.

It can be seen that the accent the PPTA placed on entry standards, teacher competence and teacher discipline through the Long Negotiation in 1987–1989 had a long history in which the PPTA had been successful in ensuring that legislation undermining its position had not been passed, even if it had not achieved their own approach either. The PPTA would not give up that position without a fight.

As the disciplinary and competence provisions became a major source of dispute between the SSC and the PPTA during the Long Negotiation of 1987–89, the main points of the two systems will be described.

### **The System relating to Discipline Prior to Legislative Change in 1989**

The quasi-legal system that governed the disciplinary process when a teacher was alleged to have committed an offence was laid down in two places, the *Education Act, 1964* and the *Secondary and Technical Institute Teachers Disciplinary Regulations 1969*, issued pursuant to the 1964 Education Act. Procedures for teachers charged with a serious offence, defined as one for which the maximum punishment was not less than two years' imprisonment, were in the Education Act itself.

More common was disciplinary action taken over teachers who committed an offence against the *Education Act*. Section 158 defines disciplinary offences. They have a distinctly military ring to them.

**158. Disciplinary offences-**(1) Every teacher commits an offence against this section who-

- (a) By any act or omission fails to comply with the requirements of this Act:
- (b) In the course of his duties disobeys, disregards, or makes wilful default in carrying out any lawful order or instruction given by any person or Board having authority to give such order or instruction:
- (c) Is negligent, careless, or indolent in the discharge of his duties:
- (d) Is grossly inefficient or incompetent in the discharge of his professional duties:
- (e) Improperly uses property, stores, or equipment for the time being in his official custody or under his control or fails to take reasonable care of any such property or equipment:

- (f) Absents himself from his duties without leave or valid excuse:
- (g) Is guilty of conduct in his capacity as a teacher or otherwise which is unbecoming to a member of the teaching service or shows his unfitness to remain in his present position or in the service.

It was the last offence, commonly known as “conduct unbecoming” that implied expectations of teachers in their private lives that was not normally applied to other occupations. The possibility that the community could impose standards for teachers in their private lives played a large part in the PPTA’s concern for the devolution of disciplinary powers to Boards of Trustees under *Tomorrow’s Schools*. The PPTA feared that, if every Board had been given the power to decide the standards of community expectation to which teachers would have to measure up, this would encroach beyond the performance of their work duties into community standards for their private lives as well.

The criteria or definitions of disciplinary offences therefore represented to the PPTA the boundary between teachers’ professional and private lives. Without the criteria, the potential existed for local communities to define their own standards for teachers’ personal lives.

The process that should be followed in the event of a complaint was outlined separately in *The Secondary and Technical Institute Teachers Disciplinary Regulations 1969*. The process was noteworthy because of the involvement of representatives of the PPTA at every step. Not only was the PPTA able to represent a teacher member before the quasi-judicial preliminary investigation, Teachers’ Disciplinary Board and Teachers’ Appeal Board but they were also represented on the different decision making structures as well.

It can be seen, therefore, that at the time of the Long Negotiation, the processes of teacher discipline ensured that the PPTA took part in judgement of its members as well as representing them. The criteria delineated the boundary between teachers’ personal and professional lives. Any suggestion that these provisions of the Education Act and the Regulations should not continue was seen as a threat.



Periodically, the PPTA did question the conflict of interest arising from their dual roles of judge and advocate on and before the separate Boards. This was commonly referred to as the “smoking pistol” debate and was resolved each time it arose by reference to the fact that each PPTA nominee in the process was a separate person and that the advocacy role was conducted wholeheartedly in defence of the teacher by the PPTA.

### **Addressing Teacher Competence as a Separate System**

The development of the classification system and the PPTA’s energy in support of it has already been explained with reference to the rapid expansion of secondary education in New Zealand after World War II. It worked by requiring a certain standard of entry in terms of training and qualifications, making provision for an initial two-year probationary period during which a teacher was provided with advice and guidance, and putting in place a set of criteria against which a classroom teacher’s competence could be measured. If an experienced teacher was found by the school inspectorate to be deficient in those minimum standards of competence, he/she was removed from the teachers’ “register” and could never teach again. This “register” was simply a list of teachers who had passed the probationary period. Classification criteria provided a ‘negative’ standard in the sense of a level of minimum competence rather than an incentive to better performance.

Procedurally, classification provided for generous support and advice and guidance if a teacher was suspected of falling below the minimum competence level as defined by the criteria. It could take up to four years to remove a teacher if he/she was suspected of being incompetent. Again, as in teacher discipline, the PPTA was represented at every step of the process, including the final assessment of competence.

The criteria and processes of the classification system were contained in the *Education (Assessment, Classification and Appointment) Regulations 1976 (AC&A Regs)*. The regulations were the means by which the PPTA sought improvements to the system. The proposed repeal of the regulations with the *Tomorrow’s Schools* reforms and their replacement with a Teacher Registration Board were seen by the PPTA as a threat to minimum entry requirements. At the time of the Long Negotiation, the form of the proposed Teacher Registration Board was still not clear. In the deregulatory

environment being created by the state sector reforms, the PPTA anticipated that market principles would be applied to the appointment of teachers in local schools.<sup>12</sup> Their hard-fought battle to require minimum training and qualification teacher entry standards could therefore have been undermined. This concern was later borne out when it was suggested by officials that registration and employment were two separate issues and one need not require the other.<sup>13</sup>

Thus, the classification system was another issue over which the SSBA and the PPTA differed. The SSBA argued that it took too long to remove incompetent teachers and that again there was too much PPTA involvement in the process. The PPTA, on the other hand, continued to argue that every assistance should be provided to teachers who were failing, as they had made a commitment to the profession in their long preparation through gaining a qualification and training as teachers. During 1984–87, the PPTA had sought to extend the classification system to middle management and senior management positions and to develop criteria for management skills. The process by which this initiative became woven into the industrial project of the PPTA will be discussed in Chapter 8.

In terms of both discipline and competence, throughout the Long Negotiation, the PPTA adopted the position that secondary teachers were accountable via these criteria and procedures and that the current system should be written into the new Secondary Teachers' Award as an existing condition of service. The difference between this approach and that of the SSC was the difference between bureaucratic and professional approaches to teacher performance and those of the incentive and sanction ones proposed by the SSC.

### **The Scott Committee**

Before moving into an account of the discourse that informed the SSC position, it is worth noting the work of a Parliamentary committee in 1986, set up as an inquiry into the quality of teaching. It presages the conflict that was to occur at the negotiating table between the professional and the managerial approaches to accountability.

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<sup>12</sup> HX 88/365, 9 November 1988.

<sup>13</sup> HX 88/416, 17 November 1988.

The Scott Committee inquiry was set up under new powers granted to Parliamentary committees to examine the policy, administration and expenditure of their relevant departments and associated non-departmental government bodies. The Education and Science Committee in 1986 was chaired by Noel Scott, a member of the Fourth Labour Government. Another committee member was Ruth Richardson, the Opposition Spokesperson on Education at the time. Noel Scott had been a secondary teacher, principal and inspector of secondary schools. He had a long-term interest in the quality of teaching and the perceived inability of Boards of Governors<sup>14</sup> to address teacher performance. Ruth Richardson was pressing for the need for radical change in education, laying great emphasis especially on the need for accountability and the introduction of vouchers to ensure efficiency of funding.

The terms of the inquiry were extensive and wide-ranging. They were attached as an appendix and summarised in the text of the Report as follows:

Emphasis was placed on:

- (a) personnel aspects of teaching such as recruitment, training and continuing professional development of teachers
- (b) the environment of teaching, including physical surroundings; provision of teaching material, resources, aides and equipment; and professional support within schools and from the Department of Education
- (c) characteristics of quality teaching and appropriate standards
- (d) procedures to maintain the quality of teaching.

(Scott, 1986:9)

Both Noel Scott and Ruth Richardson entered into the inquiry with enthusiasm, albeit from different positions. Noel Scott's position lay within a continuity concerned with improving what had gone before. Ruth Richardson's approach was to introduce new principles towards teacher performance altogether. The Committee received oral and written submissions and heard evidence.

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<sup>14</sup> Prior to the *Tomorrow's Schools* restructuring, secondary schools in New Zealand had always been administered by their own boards of governors. These Boards dealt directly with the Department of Education for funding, capital works and building maintenance. Unlike the administration of primary schools, however, they had considerable responsibility for personnel matters, such as hiring, firing and disciplining teachers, including the principal.

*The Report of the Education and Science Select Committee: the Quality of Teaching*, provides evidence for an interesting transition from the endorsement by government in the earlier Marshall Report of teachers as a profession and as partners in education. The concept of professionalism in the Scott Report had shifted towards accountability to others apart from the profession. (The emphases in bold are made in the text.)

Teachers should not work in isolation. They must be part of the **professional team** within a school and part of the profession as a whole. They work within a learning community of students, parents, school colleagues and departmental officers. They must function within their professional environment and take notice of each community. The report examines the influence of the professional environment, and the influence of parents and the community.

(Scott, 1986:6)

It is worth quoting at length to illustrate what this committee defined professionalism to be. Teachers have become objects of the committee's attention and the emphasis is on the imposition of characteristics they ought to have, rather than an acknowledgement of their control over their own standards.

1.6.1 Professionalism requires a strong **commitment to quality teaching**. Teachers must feel valued and rewarded for the excellence of their teaching. They must be given opportunities through school-based and external courses to develop or build on their professional skills.

1.6.2 Professionalism also requires **accountability**. Judgements must be made of teaching practice. Where teaching practice is excellent, teachers should be recognised and rewarded by promotion. Where teaching practice is causing concern, teachers must be made aware of that, required and helped to improve or required to leave the profession.

1.6.3 For the committee, professionalism must emphasise learners rights. Professionalism must not become protectionism.

1.6.4 Acceptable professional standards must not be determined or assessed solely by the profession. Both consumers and providers must have an equal say in what is acceptable as quality teaching.

(Scott, 1986: 6)

It can be seen that, while the profession is acknowledged, the idea that the profession controls and monitors itself is beginning to disappear. The language subjects teachers to external scrutiny. Motivation for teaching does not come from within but from extrinsic valuing and rewarding. The partnership between government and teachers can be seen to be eroding. The first signs of scrutiny of teachers based on assumptions of

provider capture appear. Consumers (children and parents?) and providers are going to monitor the profession.

There are contradictions within the Report however. Section 6.4.1 continues the distinction between “incompetence” and “breaches of good conduct” but disquiet amongst the community at the autonomy of teacher professionalism is expressed. The section on professionalism and accountability concluded:

6.5.6 ... there is considerable evidence in submissions and in practice that interests of teachers are protected ahead of pupil interests on far too many occasions.

6.5.7 ... there is little confidence in the effectiveness of the current systems of accountability, or their integrity. Many community members feel that the standards of performance and the judgement of those standards are controlled by the self-interest of the profession. Teachers are seen as judge and jury in their own cause. The opportunity for community input and influence is very limited.

(Scott, 1986:39)

This is at variance with 6.7.1 (p.41), however.

The committee is convinced that the best methods of accountability are those which the profession itself sets, maintains and judges.

(Scott, 1986:41)

The recommendations, like the rest of the report, reflected the ambivalence of the committee’s members. They devise a list of improvements that should be made to the existing system rather than formulating proposals for radical change. Interestingly, new proposals by the PPTA for criteria to be applicable to middle and senior management were attached to the Report as an appendix. This was a sign that the partnership was not completely over.

Bill Renwick, Director-General of the Department of Education at the time, analyses why contrasting views emerged from the Scott Committee.

Perhaps the most interesting thing about that committee was who was really Chair. So you had this interesting game going on between Noel and this up-and-coming backbencher on the other side, as to whose committee it really was. So, what came out of that committee was not a very clear report in any respect. ... You could add Noel’s interests and Ruth’s interests and add them and you got the report.<sup>15</sup>

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<sup>15</sup> Interview, Bill Renwick, 5 July 1995.

The contradictions that arose from the two different approaches were echoed in the next interaction between the two discourses over competence and discipline during the Long Negotiation between the SSC and the PPTA. What the Report of the Scott Committee did for the PPTA was to make it realise that it could no longer take for granted that its approach to competence and discipline would always prevail. The PPTA therefore began to anticipate the coming conflict by claiming the high ground in accountability with a special issue of the *PPTA Journal* on accountability in Term 1, 1987. The Senior Vice-President wrote:

Nothing but good can come from the demand for quality, excellence and value for money at a time when government expenditure on education as a proportion of GNP continues its downward spiral. And I believe this Journal demonstrates that our profession has in fact heightened its professionalism through its own efforts to make itself more accessible and accountable to its clients<sup>16</sup>.

The accountability of the profession, however, continued to be argued in terms of the PPTA's commitment to existing competence and disciplinary procedures. The PPTA also continued to discuss quality in all parts of the education system. It was not yet prepared for the end of the partnership in secondary education.

## **Conclusion**

This chapter has discussed four more practical components of the education settlement of the KWNS. The section on professionalism gave a name to the PPTA's own educational and political project at the start of the period. This project they regarded as part of the state's educational policy. Their partnership with the Department of Education and sometimes the Minister of Education endorsed this.

The chapter also described the means by which the PPTA argued pay increases for its members. The procedures of the *State Services Conditions of Employment Act, 1977* complemented the teachers' professional project in the KWNS. This acted to reinforce the confusion within the idea of professionalism between teachers' own conditions of service and the welfare of education. The confidence with which the PPTA later operated in a changed industrial environment relates back to the factors described here.

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<sup>16</sup> *PPTA Journal*, 1987, Term 1, p.2.

Generalising from the PPTA's actions and documentation to secondary school teachers as a whole was justified.

Lastly, the criteria and procedures for calling teacher behaviour and competence to account were discussed in sufficient detail to explain why these were so important to the PPTA during the Long Negotiation.

## **Chapter 6**

### **The Interacting Discourse and Resulting Policies**

#### **Introduction**

Those using the regulation approach have related the changes in Atlantic Fordism since the early 1970s to changes in the regime of accumulation and its associated mode of regulation (see, for example, Jessop, 1994a; Harvey, 1989). The argument here is confined to looking at the process of change in the education sector of the state as part of the mode of regulation. It is therefore outside the competence of this thesis to attempt an analysis of how changes to the regime of accumulation were set in motion. It is worth emphasising, however, that the interacting discourse here described arises from within economics and uses economic theory to address social and political issues. At the time of the case study, the government, in its policies, was supporting this economic approach.

The discourse with which the PPTA was increasingly forced to interact had been a public part of New Zealand politics since the election of the Fourth Labour Government and a briefing by Treasury to the incoming government (Treasury, 1984). The economics expressed by Treasury were not new to New Zealand and had been increasingly influential in shaping the ideas of the Reserve Bank, the Department of Trade and Industry, as well as Treasury even before the election of the Fourth Labour Government (Jesson, 1989:41). What was new was the degree to which the ideas affected government policy.

The Treasury's explication in 1984 of what became the basis of the government's economic policy was followed by another brief by Treasury in 1987 upon re-election of the Labour Government. This time the basic principles for policy over machinery of government were outlined. The discourse typified by these two works affected all government policy in New Zealand. The structure of the state itself was reformed according to a set of coherent principles. No part of the state was left unaffected. The



economic and public management theories that formed the discourse derived from a complex interweave of different strands of economic and philosophic thought.

The unusual coherence of theoretical explication and practical implementation in New Zealand has been commented on by a number of observers (see, for example, Hood, 1991; Martin, 1990). In-depth discussion of the historical, philosophical and theoretical roots of the reforms is beyond the scope of this thesis. However, a brief summary of the assumptions underlying the ideas and their content that led to practical application to public policy directions and legislation is given here. It will be seen that ideas behind the specific form taken by policy changes to state personnel management and industrial relations and education can be historically traced back to these roots.

It is against this historical background of ideas and ideology that the political and industrial policy directions of the Fourth Labour Government, Treasury and the State Services Commission can be seen. It formed the reality of their discourse, while not necessarily being a conscious intellectual or political position of all players. This parallels the discussion in the previous two chapters of the historical roots of the discourse of education in the KWNS. It will be seen that there were incompatibilities between the two discourses that gave rise to the conflict in the Long Negotiation.

In this chapter, the theoretical roots of the positions of Treasury and the State Services Commission will be outlined first. The content of the various policy documents and pieces of legislation that affected state sector restructuring and reforms of state pay-fixing and education will be discussed and related to the various theories. In particular, the specific mechanisms proposed for management of personnel will be seen as the logical outcome of the economic assumptions upon which the theories were based.

### **The Theoretical and Philosophic Components**

The ideas behind the economic and public policy reforms in New Zealand have been variously designated. They have been called New Right (Lauder, 1987), monetarist (Codd, 1990), neo-liberal (Kelsey, 1995), neo-classical economics (Marginson, 1993), the Libertarian Right (Jesson, 1989), and economic rationalism (Pusey, 1993). While not widely used in New Zealand, the term *economic rationalism* will be adopted here as

the overall descriptor term as it places emphasis on the economic combined with the sense of a new approach. It will be used as the most general term to describe the widest context of all public policy reforms of the Fourth Labour Government.

Pusey has defined economic rationalism as the

doctrine that ... markets and prices are the only reliable means of setting a value [for public purposes] on anything, and ... that markets and money can always, at least in principle, deliver better outcomes than states and bureaucracies.

(Pusey, 1993:14)

The market is substituted for democratic politics.

Marginson (1993) identifies three components to economic rationalism. All three components affected the public policy agenda of the Fourth Labour Government. The first component is a preoccupation with economic policy and economic objectives. In other words, the main political issues are economic. Economism subsumes social and political issues under the economic. The rights of the individual and of property are more important than social justice.

Secondly, Marginson argues that the economic content is neoclassical with an emphasis on the laissez-faire minimalist state complementing the free play of markets. The size of the state and its budget should be reduced as much as possible. The state's primary role should be in controlling the quantity of money.

The third component is New Public Management (NPM). Theories of New Public Management relate to the governance and management of the state. In turn, the study of NPM can be further subdivided into a theoretical strand of public choice theory and a more practical strand of managerialism. Some texts use managerialism to cover the whole complex of strands emanating from public choice theory but Aucoin (1990) draws a clear distinction. This thesis will retain the useful distinction and use NPM as an all-encompassing term to include public choice theory and managerialism. This allows for separating out managerialist policies of decentralisation, deregulation and delegation, such as the policies of *Tomorrow's Schools*, from those of public choice theory, advocating centralisation, co-ordination and control (Aucoin, 1990).

Each of these concepts will now be discussed in more detail.

### **Economic Rationalism**

Marginson (1997b) provides a succinct account of the political trajectory of the New Right since April 1947, when Friedrich Hayek convened a conference at Mont-Pelerin. The conference rejected Keynesianism, the dominant economic policy of the time and set itself the task of replacing it with a competitive market society in which the role of the state should be to create conditions favourable to markets. All alternatives to markets were flawed. This was a different role for the state than in *laissez-faire* liberalism, hence the name neo-liberalism. The conference foreshadowed the parallel work to Keynesianism over the next 30 years of those economists and political philosophers committed to the ideas. With the collapse of the regulated exchange rates in 1971, the programmes and politics of the New Right began to become more prominent.

Politically, the New Right arose from an alliance between those committed to the ideas of economic rationalism and social conservatives. Marginson argues that this political alliance between economic liberals and social conservatives led to alliances of position as well. Economic rationalists could absorb conservative concerns about social order, and conservatives could suspend concerns about the corrosive effects of capitalist markets on property and traditional authority (Marginson, 1997b:56). This led to tactical flexibility as New Right influence grew. At the practical political level, lobbying and networking by large corporations brought the ideas to business as a whole, and think tanks were sponsored by corporates (Marginson, 1997a). The growth of the New Right also coincided with a move to greater globalisation as the OECD, the IMF, the credit ratings agencies and other global regulators began to promote and support economic rationalism.

The ideas of economic rationalism and the politics that surrounded them, therefore, arose out of, and formed a continuity with, the past as well as being experienced as a discontinuity by those societies, predominantly Anglo-American, in which they became influential (Marginson, 1997b). The concepts of freedom and the individual survived, but shifted from the individual in a network of social relations to one in which choice

was operated in the market. Freedom to participate as a citizen shifted to freedom from the state (Marginson, 1997b:79). The combination of economics and political economy within economic rationalism provided a coherent theoretical connection between the economy and society that was sufficiently broad to rival that of the KWNS.

In New Zealand, Treasury, the State Services Commission, the Fourth Labour Government, the Business Roundtable and the Centre for Independent Studies were all influential in achieving the shift politically (Jesson, 1989). The Education Forum, associated with the Business Roundtable, was formed to promote the ideas in the education community.

The basic policy directions arising from economic rationalism involved individualism, competition, markets, freedom from the state, and choice. In New Zealand a programme introducing marketisation, commercialisation, corporatisation and sometimes privatisation of state activities was progressively introduced (Easton, 1997).

### **New Public Management**

Hood (1991) describes NPM as the marriage of two streams of thought – that of public choice theory and managerialism. Aucoin (1990) identifies tensions in this juxtaposition. The one, public choice theory, seeks to re-establish the control of democratic government over government departments run on bureaucratic principles. The other, managerialism, seeks greater freedom for management from bureaucratic constraints. The differences have been typified as the difference between “freedom to choose” and “freedom to manage”.

Transaction cost analysis and principal-agent or agency theory are two further theories that have influenced public choice theory to produce an accent on contestability, user choice, transparency and incentive structures. On the other hand, managerialism arises from the scientific management movement and regards private sector management practices as equally applicable to the state sector, more important than technical expertise and requiring high discretionary power to achieve results (Hood, 1991).

It has been argued that the Fourth Labour Government was determined to exert control over the public service in order for its policies to be carried out (Walsh, 1991b:52). Labour's last experience of power in 1972–1975 had convinced it that the bureaucracy had undermined the implementation of its policies. The principle of holding Chief Executives of government departments accountable to the government as argued by public choice theory therefore appealed to it. Managerialism, on the other hand, via increased power for managers, promised increased efficiency in the running of government activities and was therefore also attractive in the face of a crisis in public expenditure.

### **Public Choice Theory**

The Virginia school of public choice gave intellectual rigour to arguments about governmental overload and over-extension by applying to the behaviour of democratic politicians and government bureaucracies the same economic models as applied to market behaviour.

Early work concentrated on aggregating preferences from a number of individuals and Arrow (1963) arrived at the conclusion that no social welfare function, an optimal Pareto efficient outcome of choices, could be constructed. Public choice theorists have used this negative demonstration aggregating individual choices as evidence for the undesirability of social ordering by governments. They argue that because it is impossible to determine the majority wish, all government is the imposition of the choices of a few on the majority.

In a paper delivered to the Institute of Economic Affairs in 1978, James Buchanan, influential in the development of public choice theory (Marginson, 1997a:78), traces the development of public choice or what he calls the economics of politics (Buchanan, 1978). The starting point is the assumption of an individual as nothing more than a set of preferences, a utility function.

Such an approach has been applied to analysis of the behaviour of bureaucrats. The assumption of the individual as utility function results in the conclusion that bureaucrats seek to maximise their own utility. Public choice theory therefore seeks to minimise

this “rent-seeking” behaviour through various strategies. This core approach of public choice theory has been summarised by Buchanan, one of its more important theorists.

In one sense, all of public choice or the economic theory of politics may be summarised as the ‘discovery’ or ‘re-discovery’ that people should be treated as rational utility-maximisers in *all* of their behavioural capacities. This central insight, in all of its elaborations, does not lead to the conclusion that all collective action, all government action, is necessarily undesirable. It leads, instead, to the conclusion that, because people will tend to maximise their own utilities, institutions must be designed so that individual behaviour will further the interests of the group, small or large, local or national. The challenge to us is one of constructing, or re-constructing, a political order that will channel the self-serving behaviour of participants towards the common good in a manner that comes as close as possible to that described for us by Adam Smith with respect to the economic order.

(Buchanan, 1978:17)

Niskanen, whose 1971 work is regarded as the Bible of public choice theory applied to public sector management, spells out explicitly the opposition from within this framework to the view of bureaucrats that had pertained in Westminster-style democracies throughout the twentieth century.

By 1964 I came to recognize that there is nothing inherent in the nature of bureaus and our political institutions that leads public officials to know, seek out, or act in the public interest.

(Niskanen, 1971:vi)

This is, therefore, a fundamentally different approach to public servants and their place in carrying out the functions of state than the bureaucratic and service orientation of the KWNS. In particular, in education, it had severe implications for the partnership approach of the Department and the teacher unions towards policy development. The partnership approach, an accepted form of behaviour, was relabelled provider capture and became disreputable.

This assumption of rent-seeking behaviour, termed provider capture in New Zealand, led to the development within public choice theory of means for reducing it. This included mechanisms based upon agency theory and transaction cost analysis. Both theories understand human interaction as a series of contractual relationships.

Agency theory separates out the parties to a contractual relationship. The assumption is made that all social and political life is composed of a series of contracts between principals and agents (Boston et al., 1996). Because of the rent-seeking behaviour of agents, means must be found to provide them with incentives and sanctions in order that the wishes of the principal are carried out. Characteristic forms of the New Zealand restructuring can, therefore, be traced directly to agency theory. One is the implementation of contractualism as the basis of relationships between politicians and the chief executives of government departments and in all levels of government operations (Boston, 1995). The other is the shift in the employment relationship between government and public servant from one of a service ethic to one of performance incentives in order to ensure compliance with the wishes of the principal. It emphasises the importance of the contract for labour and the exchange of services as a means of regulating the behaviour of agents (Boston et al., 1996).

Agency theory applied to the public sector first assigns the role of principal to government and the role of agent to bureaucrat or manager. It is argued that bureaucrats will maximise their budget for status reasons. Emphasis should be shifted from a focus on inputs to a focus on outputs and outcomes in order to hold bureaucrats accountable. A focus on inputs results in lack of accountability by bureaucrats because they can argue that the government has not provided sufficient funds to enable them to deliver the outputs required. A focus on outputs, however, combined with such measures as salary and tenure tied to performance, will result in close adherence to the principal's desire for particular outputs, leading to better outcomes.

Transaction cost analysis, while closely related to agency theory, focuses predominantly on the best way to organise the production and exchange of goods and services rather than the selection and motivation of agents (Boston et al., 1996:21). The efficiency of governance structures, therefore, receives greater emphasis than the people involved as in agency theory. In a 1987 review of Oliver Williamson's work on transaction cost economics, Gorringer of the New Zealand Treasury argues that transaction cost analysis will increasingly supplant the use of agency theory for the analysis of organisations. He states that Williamson rejects the economic man model and rational utility maximisation in favour of contractual man who is limited by bounded rationality and opportunism. Bounded rationality is used in the sense that the perceptions of an individual are

bounded by imperfect knowledge, intelligence, and language. Therefore, the assumptions of rational utility maximisation are wrong because individuals do not have perfect knowledge with which to make rational choices.

Williamson's use of the term *opportunism* appears to differ from that of the utility maximisation of individuals in that opportunism implies a positive action on the part of the individual to be opportunistic rather than an inherent part of the condition of being human as in utility maximisation.

By 'opportunism' Williamson means self-interest seeking *with guile*. This includes lying, cheating, stealing and more subtle forms of opportunism such as the deliberate withholding of information.

(Gorringe, 1987:126)

Transaction cost analysis is argued to be most applicable to governance of public institutions. For example, it can be applied to decisions regarding whether or not government should provide certain services, or should contract them out to private providers.

The application of public choice theory to designing public management systems, then, has had two main effects. One is on the form of governance structures, including those involved in policy decision-making and policy implementation. The second is on the design of matters relating to the employment relationship of public services. Performance remuneration and performance management systems are designed to provide incentives for employees who would otherwise shirk. Fixed-term employment contracts, likewise, provide sanctions against agents who fail to meet the expectations of the principal.

A summary of policy consequences of the application of public choice theory in New Zealand, with the associated agency theory and transaction cost analysis is provided in Figure 7. The information contained in the table has been derived primarily from Boston et al. (1996) and Boston (1995).



<b>Public choice theory, agency theory and transaction cost analysis applied to:</b>	
<b>Policy outcomes in governance structures</b>	Contractualist instruments, e.g. purchase agreements, performance agreements, ownership agreements Contractual relationship between ministers and departmental CEOs, e.g. CE performance agreements and output accountability. Contracting out to private providers, sometimes full privatisation for greater efficiency. Separation of policy advice from policy implementation and regulation. Contestability of advice, e.g. larger political staffs in ministerial offices. Measures to reduce scope for political interference, e.g. <i>Reserve Bank Act, 1989</i> . Hierarchy of contractual relationships leads to devolution and an emphasis on consumers.
<b>Policy outcomes in employment relations</b>	Performance remuneration systems. Performance management. Fixed-term employment contracts for senior public servants.

**Figure 7: Policy consequences of public choice theory**

The overall approach to personnel management therefore arises from the underlying assumptions of the theories rather than as a separate consideration. This sometimes has unintended consequences. For example, the emphasis on contracting for outputs results in agents not being required to think – or even positively discouraged from thinking – outside the particular targets for which they are contracted.

## **Managerialism**

In contrast to the economic approach of public choice theory, another strand of New Public Management, labelled managerialism, concentrates specifically on management practices. This is a more pragmatic strand to policy developments in the state sector over the period of reform. The contribution it makes to New Public Management comes from within the management discourse that has its roots in scientific management and Taylorism (Boston et al., 1996).

The core assumption of managerialism is that management is an instrumental activity for which a general set of principles can be developed. It is therefore equally applicable

to private sector and public sector management practices. Peters and Waterman (1982) is the best-known text for management practices that lie within the more recent tradition of a practical, commonsense form of management oriented to results rather than process. “Let the managers manage” and “managing for results” are the best known of the slogans that stand for autonomy for management to get on with the job and achieve results. Peters and Waterman identified eight attributes of excellent companies. These are: *a bias for action*, getting on with the job; *close to the customer*; *autonomy and entrepreneurship*; *productivity through people*, inclusiveness of labour; *hands-on, value driven*, philosophy is more important than technology; *stick to the knitting*, staying close to the business you know; *simple form, lean staff*; *simultaneous loose-tight properties*, both centralized and decentralized (Peters & Waterman, 1982:13–15).

The direction of management is therefore towards debureaucratisation and towards managerial prerogative. Managerialism emphasises principles of organizational design that promote clarification of missions and objectives and responsiveness to clients and customers on the one hand and personnel on the other.

It is to this school of thought that the policy impetus in New Zealand towards decentralisation, deregulation and delegation can be traced. The contradictions in juxtaposing this with public choice theory are identified by Aucoin. Public choice theory tends to reinforce the idea that the power of political leaders must be reinforced against that of bureaucracy. In other words, it leads to policy directions of greater centralisation, coordination and control (Aucoin, 1990).

Boston et al. (1996:26) have developed a list of the distinctive features of New Public Management brought about by the convergence of the two strands of public choice theory and managerialism. Because the different pieces of legislation affecting the education reforms can be related back to them, the list is reproduced here in full. The features are also interesting to our argument because of their very different approach to public policy from that of the KWNS. The very principles on which the reforms were based led to the derivation of policy proposals that in many cases conflicted with or contradicted those of the past.

- a) a belief that, at least from the standpoint of management, the differences between the public and private sectors are not generally significant; hence public and private organisations can, and should, be managed on more or less the same basis;
- b) a shift in emphasis from process accountability to accountability for results (e.g. a move away from input controls and bureaucratic procedures, rules, and standards to a greater reliance on quantifiable output (or outcome) measures and performance targets);
- c) an emphasis on management rather than policy, in particular a new stress on generic management skills;
- d) the devolution of management control coupled with the development of improved reporting, monitoring, and accountability mechanisms;
- e) the disaggregation of large bureaucratic structures into quasi-autonomous agencies, in particular the separation of commercial from non-commercial functions and policy advice from delivery and regulatory functions;
- f) a preference for private ownership, contestable provision, and the contracting out of most publicly funded services;
- g) a shift from relational to classical modes of contracting (i.e. from long-term and generally poorly specified contracts to shorter-term and much more tightly specified contracts);
- h) the imitation of certain private sector management practices such as the use of short-term labour contracts, the development of strategic plans, corporate plans, performance agreements, and mission statements, the introduction of performance-linked remuneration systems, the development of new management information systems, and a greater concern for corporate image;
- i) a preference for monetary incentives rather than non-monetary incentives, such as ethics, ethos, and status; and
- j) a stress on cost-cutting, efficiency, and cutback management.

### **Elaboration of Concept of Provider Capture**

The key assumption for personnel reform that underlies the economic components of the theories is that of the individual as utility maximiser or, worse, self-seeking with guile. This concept flatly contradicted the KWNS approach of a partnership between Department and teachers. It also appears to have been instrumental in providing a policy base for the *State Sector Act* which shifted the relative positioning of state employees with respect to government. Because of its importance, it is elaborated on here.

In a comprehensive analysis prepared for the Royal Commission on Social Policy in 1988, Bertram finds little if any use of the term ‘capture’ in either New Zealand or

overseas writing prior to its appearance in the Treasury's 1984 briefing document to the incoming government, *Economic Management*. It has been used most frequently in contexts where it conveys a tone of disapproval. Capture is a problem, rather than a process.

Bertram delineates three different usages of the term "capture".

- 1) Consumer capture which describes preferential treatment of some consumers against the wishes or interests of other users.
- 2) Provider capture which asserts that those who supply state-provided services pursue their own interests at the expense of the interests of the clients or consumers.
- 3) Administrative capture where government departments act to advance their own objectives at the expense of the quality of those services.

He then discusses the relevance of any type of "capture" to analyses of society. He points out that its usage implies a conflict rather than a consensus model of society and, more importantly, implies a "zero-sum" game where one party is worse off after one party has captured something from another. Traditional critiques of the welfare state have been that of positive-sum outcomes and whether the welfare state does in fact achieve what it set out to do which was redistributing wealth to those most in need. There has been an ongoing debate as to whether the welfare state benefits some groups more than others but, as Bertram points out, this is a different matter from a criticism which starts from the premise that some groups take from others.

Bertram establishes that the usage of the term is a criticism. Those who accept the term argue therefore that a legitimate concern of government management and, in our case, of management in schools is to investigate ways of neutralising provider capture. A characteristic of provider capture applied to the welfare state is that the capture is by middle-class professionals, in this case teacher professionals. Public choice theory, particularly agency theory, seeks to minimise the effects of this and assumes self-seeking motivation which can never be completely eradicated.

A further characteristic identified by Bertram is that provider capture implies a degree of subservience of the institution to the captor group. It is related to "rent-seeking

behaviour” as defined by Buchanan et al. (1978) where it is argued that if opportunities for gain are offered by an institution then this will attract more and more demands because of the utility-maximising behaviour of individuals. Bertram (1988) teases out the fallacies in the argument. In doing so, he also expands on our idea of partnership in the KWNS.

... evidence of a privileged position occupied by some professional group, or of professional control over syllabus, standards, technology of delivery, and so on, cannot suffice as evidence of ‘capture’ in the narrow sense; to establish capture as a plausible description of this situation it is necessary to seek out and analyse evidence that the situation is not one of partnership (or at least common interest) between the professional group concerned and the public interest widely defined.

... The ideal-type on which social-democratic strategies have been based is one which sees state power delegated to groups of vocationally motivated professionals, working in partnership to serve a ‘public interest’ defined through the processes of political democracy. While human error and the complexities of the real world mean that from time to time particular policies or practices may fail the test of public benevolence, the overall likelihood (and record) of success is held to validate the model.

(Bertram, 1988:147)

This is not to say that professionals are above criticism. Ivan Illich through the 1970s had mounted influential attacks on professionals and the institutions in which they worked. In education, *Deschooling society* had been particularly influential, especially on teacher professionals themselves (Bertram, 1988:155). In New Zealand, both the medical profession (Coney, 1988) and teachers (Du Chateau, 1987) had increasingly been criticised for appropriating to themselves greater power and control over health and education than a partnership approach within the KWNS allowed for. However, as Bertram points out, this type of criticism is of systemic approaches to health and education, rather than of behaviour arising from self-interest, the economic approach.

It is interesting in New Zealand that apart from Bertram, few attempts have been made to engage with and refute the concept of provider capture. This may have been because Bertram dealt with the arguments comprehensively and highlighted the discursive positioning of provider capture within a discourse at variance with one positioned in the welfare state. Refuting the allegation of provider capture at a superficial level tends to involve the defensive position of arguing that professionals have a privileged place in

society and can do no wrong. This, of course, is nonsense. To accept the concept as valid, however, means acceptance of the economic discourse and its consequent application to society. The validity or otherwise of the concept depends on its discursive positioning.

In summary, using Bertram, an attempt is made here to list the implications of Treasury's use of the term *provider capture* for education. These implications then lead to policy proposals that try to overcome this problem.

- 1) Provider capture of education is by professionals.
- 2) As a consequence, the interests of educational institutions become equivalent to the interests of the provider group.
- 3) In order for provider capture to exist, those capturing are dominant and not in partnership with another group.
- 4) Greater and greater demands are placed on resources.
- 5) Middle-class groups capture the benefits of state-provided education.

### **Accountability**

The discourse of New Public Management also shifted the meaning of accountability. Martin and Scott (1990) examine the concept in the context of the government reforms. In defining accountability, they state that the basic features of an accountability relationship involve specification of the parties and the contract involved. This association of accountability with a contractual relationship immediately gives it a specific meaning within the discourse of New Public Management and its assumptions and developments. The operation of accountability within management practice is then subject to the analyses of agency theory and transaction cost analysis, in order to arrive at policy consequences of this definition.

This contractual meaning of accountability is a very different one from that positioned within the discourse of professionalism (Codd, 1999). Codd argues that the discursive difference in the use of the term revolves around trust. The accountability of New Public Management is low-trust, hierarchical and maintained by external controls and sanctions. The accountability of professionalism is high-trust and maintained by internal motivations such as commitment, loyalty and sense of duty.

In the case study, while both sides of the negotiations used the term from 1986 on with reference to educational personnel structures, one side used it in the sense of the accountability of contractualism, and the other in the sense of the accountability of professionalism. The two meanings are at variance with each other (Olssen, 2002).

### **Labour Market Reform**

Regulation theory gives a central role to the wage/labour relationship in sustaining the regime of accumulation of the Keynesian Welfare National State (Boyer, 1988). The institutional forms of this relation varied among different countries, but commentators on the Fordist compromise are generally agreed that, within the KWNS, a balance was achieved between greater productivity in production and the distribution of resulting economic benefits for greater consumption power of workers (for example, Harvey, 1989; Amin, 1994). The distinctive institutional form for wage/labour relations in each country was situated within the social compromise of the welfare state.

Theorists of economic rationalism argued that the curtailment of union rights was essential to a “free” society based on the individualism of economic rationalism (Marginson, 1997b:54). Labour market reform therefore formed one of the goals of the New Right. Pressure to reduce the influence of the state implied that the historic compromise between capital, labour and the state of the KWNS was at an end (Jesson, 1989).

With the economic crises of the 1970s, greater labour market flexibility became an emphasis (OECD, 1989). The way in which this was achieved in each country depended on the structures of industrial relations. By the 1980s, however, analyses involving the concept labour market flexibility were becoming common. Examples include the flexible firm (Atkinson & Meager, 1986) and flexible specialisation (Piore & Sabel, 1984; Wood, 1989). The related concepts of post-Fordism as applied to production and the associated society and culture termed post-modernism have produced an extensive literature. The extent to which these analytical concepts reflect a fundamental change in production and society has been debated (for example, Amin, 1994; Harvey, 1989; Wood, 1989). Nielsen (1992) argues that discussion of flexibility

has a political dimension that arises from a neoclassical conception of the economy. Labour market flexibility can therefore be regarded as a political push for conditions that allowed for the development of more flexibility in the treatment of labour (Neilsen, 1992)

### **Specific Policy Mechanisms in the State Sector in New Zealand**

The economic and political discourse that contributed to the New Zealand reforms along with developments in public administration and private sector management have been identified above. Associated with them was a move towards greater labour market flexibility. Their contribution to the distinctive policy form that developments in New Zealand took will now be analysed.

Boston (1991) is clear that the departmental officials driving the reforms, especially those in Treasury, were influenced by an analytical framework that included public choice theory, managerialism and agency theory and transaction-cost analysis. The State Services Commission was also important in contributing to the reforms (Boston et al., 1996) and in ensuring consistency across the state (Dale & Jesson, 1992). Less clear is whether ministers in the Fourth Labour Government understood the reforms as a distinctive model or simply approved distinct policy proposals.

Boston et al. (1996) are careful to point out, however, that in any particular application to a policy setting, other factors and constraints arising from the social, political and institutional environment must also be taken into consideration. While the reforms in New Zealand are in broad conformity with the ideas, principles, and practices of NPM, the particular application of the theories in New Zealand have a distinctive form. It is the task of this thesis also to draw attention to the fact that legislative change alone does not necessarily bring about a corresponding change in attitudes.

There will be an emphasis on the process of the reforms. It was noted in Chapter 2 that Boyer (1990) suggests that institutional forms act in three ways. First, they act through laws, rules, and regulations. Second, through reaching a compromise, after negotiations, and third, through the existence of a common value system or at least common representations of reality. In this instance, we are investigating change to



institutions. The process will be seen to be first, the introduction of new ideas for viewing economic, industrial and social institutions, second, the implementation of these through policy documents, law and subsequent compliance, and third, formal negotiations towards a compromise. The question as to whether this resulted in a common value system or common representations of reality will be answered at the conclusion of the substantive discussion of the case study.

### **The Influence of the Treasury Briefings on Policy Directions**

The two Treasury briefings *Economic Management* (1984) and *Government Management* (1987) provide a comprehensive economic rationalist analysis of New Zealand's post-war economic history, accenting its poor performance since the 1970s (Roper, 1997:21). They have been regarded as the blueprint for Labour's programme of restructuring of the state sector through their two terms in office, culminating in the *Public Finance Act, 1989* (for example, Codd, 1990:196; Kelsey, 1995:31; Rudd, 1991:159).

*Economic Management* provided a searching and influential critique of the structure and activities of state trading enterprises. The managerialist conclusion was that public sector reforms should emulate the efficiency of private sector firms. Policy implementation was achieved through the commercialisation and corporatisation of state trading activities through the *State Owned Enterprises Act, 1986* (Boston et al., 1996:57).

*Economic Management* was equally critical of government departments. It stated that they lacked clearly defined goals, management plans, and procedures to assess their performance. They were also controlled by input, rather than output measures (Walsh, 1991b: 53). The restructuring of government departments in the second term of the Labour Government followed the corporatisation of state trading activities in the first term. By then, *Government Management* had joined the earlier briefing and developed further the criticisms and ideas for reform of *Economic Management*. This second work was described by Hood as a 'manifesto' of the New Public Management (Boston et al, 1996:3). The central features of the new structures and processes of public service governance were outlined.

The 1987 brief came in two volumes. Volume I discussed not only government departments but social policy as well. Volume II expanded considerably on education issues. The reasons given for this emphasis set the terms for a radical new direction for education, a direction at variance with the principles of education in the KWNS.

This supporting brief on education policy has been prepared because of the complexity of the issues involved (there are no easy answers), the importance of the educational sector to wider issues of social equity and economic efficiency, and the extent of apparent public concern about the public educational system. ... our analysis suggests that substantial elements of current government expenditure are, at best, ineffective when viewed in terms of the equity and efficiency concerns that justify such expenditure. Hence, there is danger that further public expenditure in some areas of education will serve only to increase inequity and inefficiency. In the public arena, debate does not seem to have been well focussed on the underlying issues and dilemmas facing the development of education policy.

(Treasury, 1987, Vol. II, Preface)

The terms of debate on education were thereby shifted immediately to efficiency, and equity (in terms of provider and middle-class capture), through the creation of an asserted concern from the public about education. The economic context is evident.

Education can be analysed in a similar way to any other service in terms of interaction and exchange in the face of uncertainty, information costs, scarcity, interdependence and opportunism.

(Treasury, 1987, Vol. II: 2)

The policy directions for education were set by three propositions. One, education had been misunderstood as a public good when it is in fact a commodity in the market-place. Two, the relation between the education service and its participants is that of provider and customer/consumer. Three, the state is not the best mechanism for provision of services, neither on the grounds of equity nor efficiency, and the free operation of a market system would be better (Grace, 1990a:171). The emphasis on education as a key role for the welfare state was thereby shifted to a private economic good to be traded as a commodity in the marketplace.<sup>1</sup> The utility of secondary education was for employment and work.

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<sup>1</sup> Chapter 4, Figure 5, p 63.

Policy implementation of the NPM measures designed to address the inadequacies identified by *Government Management* proceeded in the second term of the Labour Government. A review of state pay-fixing had taken place earlier (Rodger, 1986). This was put into operation by the introduction of legislative change to state pay-fixing, combined with changes in the machinery of government via the *State Sector Act, 1988*.

Restructuring of social policy followed through a series of review committees or task forces headed by economists or those with business or management expertise, in emphasis of the new economic approach to society (Koopman-Boyden, 1990:223). Brian Picot, a businessman, led the review of the schools sector.

It should be noted that the influence of Treasury ideas over the restructuring Labour Government did not go uncontested. In particular, a Royal Commission on Social Policy was announced in March 1986. This was commonly acknowledged as an attempt by the social democrats in government and the Labour Party to re-assert those principles over Treasury's economic ones (Jesson, 1989; Kelsey, 1995). The findings of the Royal Commission were at variance with the policy directions being pursued by the Labour Government. However, the directions set by the various task forces on specific social policies ultimately had greater influence than those of the Royal Commission.

The review of state pay-fixing, the *State Sector Act, 1988*, the Picot Report and the subsequent statement of government policy for schools, *Tomorrow's Schools*, all had a profound influence on the activities of the PPTA. The general policy changes contained in the review of state pay-fixing and the *State Sector Act* will be noted here. Those relating specifically to education, the Picot Report (1988) and *Tomorrow's Schools*, will be discussed in the next chapter. All shaped what was possible by imposing structural constraints and also shaping the political and industrial directions of the PPTA by introducing new assumptions about and policies for education. The interaction of these policy directions will be discussed in Chapters 8, 9, and 10.

Before considering government reform of pay-fixing and industrial relations in the state sector, it will be positioned within government policy on the labour market as a whole.

## Labour Market Restructuring in New Zealand

An analysis of wage/labour relations in New Zealand during the period of transition from the KWNS forms a critical part of the changing mode of regulation to complement the changing regime of accumulation. In referring back to Figure 2,<sup>2</sup> however, the focus of this thesis is not concerned with the whole national economic and social formation, but rather with the influence of the changing state on education policy. While institutional change was occurring in all parts of the state, it is the influence on state sector industrial relations that forms the focus. Private sector industrial relations changes will be mentioned only where directly relevant to events in the state sector.

That said, however, it was pointed out above that the policy directions set by *Economic Management* were toward corporatisation of state trading activities in the first instance, with an implied preference towards privatisation. This direction was also implied in *Government Management* for areas of social policy. Therefore, structural change in areas such as health and education should be seen as part of a process that had the potential to lead towards privatisation. The managerialist bias towards private sector management practices therefore provided a logic for the introduction of private sector labour relations legislation to the state sector.

The arbitration system in New Zealand, which had been in place since 1894, was proving inflexible in a changing world even before the Labour Government came to power (Walsh, 1997). Walsh points out that, because of traditional union/labour links, deregulation of the labour market did not occur to the same extent as for other markets during the Labour Government's two terms in power.

A radical programme of labour market deregulation was contained in *Economic Management*. In the early period of the Labour Government, existing tripartite initiatives for legislative reform in the private sector proved more influential, resulting in the *Labour Relations Act, 1987*. While not reflecting the more radical agenda, opportunities for greater flexibility still existed (Walsh, 1989b).

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<sup>2</sup> Chapter 2, p 28

Walsh (1997) argues that the *Labour Relations Act, 1987*, was the Labour Government's attempt to balance efficiency and equity concerns. Efficiency concerns led to the abolition of compulsory arbitration in 1984 and it was hoped that voluntary arbitration would lead to the collapse of large occupational awards and their replacement with industry awards at least, and enterprise agreements preferably. An outcome of this would be that unions would have to change. Through this and structural change imposed on unions by the 1987 Act, it was hoped that some degree of labour market flexibility would be achieved. Equity concerns ensured that union registration and blanket award coverage<sup>3</sup> remained, along with the Labour Court for the hearing of disputes of right and personal grievances.

There had not been similar political initiatives towards reform of industrial relations in the state sector (Walsh, 1989b). The proposals of *Economic Management* were more influential, therefore, in achieving significant change in the state sector. As Walsh (1989b) says, while the private and state sectors ended up under the same legislation, the state sector had further to go to get there.

### **Review of State Pay-fixing**

A consultative committee was set up by Government early in 1986 to review state pay-fixing. It included three state union officials as well as SSC and Treasury officials. The agreement of the Combined State Unions (CSU) to a review of state pay-fixing had been reluctantly given, in return for legislation that revoked unpopular amendments to the *State Services Conditions of Employment Act, 1977*, introduced during the previous government. From the outset, it was clear that the government's position was non-negotiable and the CSU representatives later withdrew from the review committee when it became clear that agreement could not be reached on a combined report (Walsh, 1989b). The resulting report, *Pay-fixing in the state sector*, was released in October of the same year (Rodger, 1986) and submissions called for. This report became commonly referred to as the Buff Paper and formed the basis for the later legislation, *State Sector Act, 1988*.

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<sup>3</sup> From 1937, Awards of the Arbitration Court bound all employers and workers in a particular industry to the wages and conditions of the Award that covered that industry. This was termed 'blanket coverage'.

The *State Services Conditions of Employment Act, 1977* had not been immune from criticism prior to the 1986 review. The principle of fair relativity (Chapter 5) had been controversial almost from the point of its inception. A number of Royal Commissions and legislative reviews had re-examined the concept throughout the 1960s and 1970s. It had been increasingly argued that the mechanism of the Annual General Adjustment (AGA) had led to state pay leadership and inflation, rather than fair relativity with the private sector. The idea of national pay rates exacerbated this by state pay leading private sector pay rates in the regions (Walsh, 1991b). What was different here was that prior to the Buff Paper (Rodger, 1986), changes to legislation had been negotiated between successive governments and the CSU since 1948. With the publication of the Buff Paper, the government was further underlining its determination to press ahead, albeit with consultation via submission.

The arguments of the Buff Paper (Rodger, 1986) can be seen as lying within a NPM framework, with an initial commitment to the general principle that private and state sector pay-fixing procedures should be broadly similar. Other principles relate to managerial autonomy, an emphasis on efficiency and an incentive approach to pay and conditions. Criticisms of the existing system provided a comprehensive reinforcement of the need for change. Criticisms were made of: national rather than regional pay rates; relativity arguments taking precedence over occupational pay rates; the Higher Salaries Commission; the Annual General Adjustment; state pay leadership of private sector pay rates; automatic increments instead of performance-related pay (Rodger, 1986).

Specific proposals were wide-ranging, introducing flexibility and decentralisation. They signalled radical change. Enterprise agreements would be introduced, as would ranges of pay rates. The AGA would be removed. The Higher Salaries Commission would set the salaries of permanent departmental heads only. The level of union coverage would be negotiable. Greater use would be made of contract employment. Private sector mediation and personal grievance mechanisms would apply. All matters would become negotiable.

The government, in response to extensive CSU lobbying of Government MPs, entered into discussions with the CSU “with a view to discussing the prospect of achieving an

agreed timetable for the processing of such changes and resolving the nature of the proposed changes”.<sup>4</sup> In return, the CSU decided reluctantly that it would have to enter negotiations on the review. The result was a 7% AGA pay increase in 1987, with the CSU agreeing not to oppose some interim changes to state pay-fixing legislation.<sup>5</sup> Four government Ministers took part in the final talks. They were Roger Douglas, the Minister of Finance; two Associate Ministers of Finance, Richard Prebble and David Caygill; and Stan Rodger, the Minister for State Services. The government had also agreed to defer major changes resulting from the Buff Paper.<sup>6</sup>

### ***The State Sector Act, 1988***

The Labour Government was re-elected in 1987 and by December of that year had tabled the State Sector Bill, building on the principles for state pay-fixing set out in the Buff Paper (Rodger, 1986). The non-negotiability of the proposed legislation with state employees, can be seen in the manner of its introduction. The government and the Public Service Association (PSA) had reached agreement on a shift from occupational class pay claims to departmental agreements, a major shift on the part of the PSA. No indication had been given in negotiations that legislation was about to change. Within 24 hours, the State Sector Bill had been tabled in the House (Walsh, 1989b).

The original Bill produced an uproar in all of the state unions. Protest was mounted through the CSU<sup>7</sup> and, while the general direction of the original Bill was translated into the provisions of the *State Sector Act, 1988*, some significant changes were made. The most significant of these was the full application of the *Labour Relations Act, 1987* to the state sector, where the previous Bill had exempted state servants from some protections of the LRA.

By legislation, therefore, principles of NPM were introduced to state personnel structures and pay-fixing. The principle of applicability of private sector practices to the public sector had been achieved by introducing the private sector industrial

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<sup>4</sup> CSU circular, 1987/5, Secretary to Affiliates, 26 January 1987

<sup>5</sup> Press Release, Minister of State Services, 10 April, 1987

<sup>6</sup> CSU circular, Sal/1, 10 April 1987.

<sup>7</sup> HX 88/82, 17 March, 1988.

legislation into the state sector. The *State Sector Act, 1988* also set in place the structures of contractual relationships between Ministers and Chief Executives of departments, and gave responsibility for the “efficient, effective, and economical management of the activities of the Department”<sup>8</sup> to Chief Executives. The principles of managerial autonomy and the emphasis on efficiency were also thereby established. Chief Executives were required to adhere to the principle of the good employer, but full employer powers were not granted, with bargaining remaining as the responsibility of the SSC (Walsh, 1991b). Chief Executives were then responsible for the outputs of their departments and performance agreements could be entered into with both their Ministers and their employees. The introduction of fixed-term employment for Chief Executives complemented this performance and incentive approach. Walsh (1991b:71) highlights a contradiction in the retention of the bargaining role by the SSC. The continuing intervention of the SSC undermined the ability for Chief Executives to be fully accountable for all costs in their department. This was subsequently changed in 1992.

For state unions, the main changes involved the removal of institutions of the past and procedures required for transition to the more flexible *Labour Relations Act, 1987*. The AGA was abolished. All service organisations of employees were defined as unions. The underlying principle of fair relativity with the private sector was past. Pay rates would be determined in free wage bargaining between unions and the SSC. All pay and conditions matters were negotiable. In the core state sector, bargaining was on a departmental basis. Resolution of disputes was to be via personal grievances and disputes of right and interest as for the private sector. These were all new to the state unions.

Interestingly, while compulsory arbitration had been removed from the private sector, the *State Sector Act* contained a provision whereby state unions and employers could agree to choose final offer compulsory arbitration in return for agreement not to strike or lockout. This appears to be an acknowledgement that in some way the public sector differed from the private. In the event, while a number of small unions made use of this

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<sup>8</sup> Clause 32, *State Sector Act, 1988*.



option, the larger ones didn't, with the exception of the NZEI which later reversed the decision (Walsh, 1991b:72).

The immediate practical consequence of the *State Sector Act* was the 'codification' of all existing terms and conditions of employment into an Award document. Previously, while Determinations had set out the minimum of pay rates and entitlements, many conditions of employment existed in administration manuals, formal and informal agreements with individual Departments, memoranda of agreement, and Acts and Regulations. The exercise of codification was therefore a major one for state unions. It required negotiation with the SSC for the production of a registerable document and therefore conditions became vulnerable to relitigation. The experience for unions in the new State Owned Enterprises was that hard-won conditions had been lost and they were concerned that this would happen again. Political lobbying by the state unions resulted in an assurance from the Minister of State Services that all existing conditions of employment would be carried over (Walsh, 1991b). While this was the context, the nature of the loose control of conditions previously, combined with the process of negotiation with the SSC still meant the erosion of many conditions.

There was an added complication for the education sector, in that proposed government restructuring of education was not complete. The *State Sector Act* contained a special section on the education service which, while broadly in line with the personnel measures of the rest of the Act had, of necessity, to be more general as to employer structures. This introduced an uncertainty into the education sector as to how exactly the new industrial relations regime would work in that sector. This led to the education unions and the SSC having to second-guess the ultimate structures. This will be expanded on at greater length in Chapter 9. One structure was changed immediately, however. This was the replacement of the Department of Education with the Ministry of Education and the personnel management of schools being placed directly under the jurisdiction of the State Services Commission.

NPM ideas had been translated into legislation and the unions now entered a process of negotiation required by the legislation – that of codification, which resulted in the first Awards. The compromises begun there would carry through into the first negotiations for renewals of the Awards. For the education sector, further restructuring was to

follow. The expectation was that the shape of those reforms would resemble those of the core state sector. Whether or not this resulted in a changed value system for the PPTA is the topic of Chapters 8, 9 and 10.

## **Conclusion**

The principles of state sector restructuring and their policy implementation in state sector personnel management and industrial relations through the *State Sector Act, 1988* have been covered in this chapter. The influences of the Treasury and the SSC in affecting these policy directions have been highlighted. The process of the intersection of the effects of state sector restructuring with industrial relations restructuring has begun to be delineated.

The form that education restructuring would take began before the publication of *Government Management* in 1987 and continued through 1988 and 1989 until its effect in the *Education Amendment Bill, 1989*. The intersection of education restructuring with state sector restructuring began with the Picot Committee. Because of the continuation of this intersection (combined with the effects of industrial relations restructuring) into the case study, discussion of the Picot Report and the subsequent government policy document, *Tomorrow's Schools*, together with the response of the education community, will form the content of the next chapter.

## Chapter 7

### **Picot and *Tomorrow's Schools*: The First Encounter between Education and State Sector Restructuring**

#### **Introduction**

This chapter assesses the interaction between education restructuring and the principles of state sector restructuring outlined in the last chapter. This is done first, by considering the composition of the Picot Taskforce, formed with the purpose of restructuring education, and the process and results of the Taskforce's deliberations. After the Taskforce had reported, an officials' committee produced the government policy document over education, *Tomorrow's Schools*. The latter part of the chapter details the theoretical response of educationalists to the education reforms. This formed a backdrop to the adoption of certain strategic positions by the PPTA.

The chapter therefore represents an account of the intersection of education and state sector restructuring, the areas containing AC in Figure 1.<sup>1</sup> It leads into the next three chapters based on the argument that it is only by consideration of the intersection of these two with the restructuring of industrial relations via the *State Sector Act* that a complete understanding of the process by which education was restructured can be understood.

#### **Approaching Social Policy**

The economic rationalist approach to social policy is one in which the paramount principle is that the market produces outcomes of the greatest efficiency. The ensuing policy proposals are those involving reduction in the involvement of the state in provision of social services and the introduction of competitive practices. This can result in removal of state funding, provision or regulation – or all three. In New Zealand, this policy direction combined with the principles of New Public Management

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<sup>1</sup> Chapter 1, p 8.

(NPM) resulted in structural change to the administration of social services. The first three years of the reforming Labour Government brought about economic restructuring, and restructuring of the commercial activities of the state.

Following the reform of administrative practices in the core state sector via the *State Sector Act* of 1988, the government turned its attention to administration of social services. By this time, however, political resistance to the agenda of Roger Douglas, the Minister of Finance, was presenting a challenge to the coherent, all-encompassing approach to restructuring the state in the first term of government. A Royal Commission on Social Policy had been set up in October 1986, under protest from Treasury, and had undertaken an extensive public consultation on future directions in social policy. The Royal Commission reported early in April 1988, under pressure from the NPM agenda set out in Treasury's *Government Management* and the continuing economic policies of Roger Douglas (Kelsey, 1995:211). In its findings, the Royal Commission set out three principles that it considered to be the priorities for New Zealanders in terms of social policy. These were the principles of voice in decision making, choice based on full information, and safe prospect (Koopman-Boyden, 1990). The discussion of education lay within the context of greater equity for all groups, with particular attention to seven groups likely to be disadvantaged: those with low socio-economic status; girls and women; Maori; Pacific Island groups; the disabled; ethnic migrant groups; and rural dwellers (NZCER, 1988:173).

Prior to the 1987 election, Cabinet had set up three committees to review the three main providers of social services (Easton, 1997:202). The Picot Committee or Taskforce, established in July 1987 to review the administration of education in schools, did not unproblematically recommend NPM in education. Its policy recommendations demonstrate some differences with the NPM. The Picot Report (Taskforce to Review Education Administration, 1988) was followed in a very short timeframe by the Government statement of policy on education administration (Lange, 1988).

It is worth looking at the deliberations of the Picot Taskforce to ascertain the result of the first formal encounter between the education settlement of the Keynesian Welfare National State (KWNS) and principles of state sector restructuring. This process is described in some depth as it establishes a contestation between policy directions arising

from tensions within the KWNS approach to education itself and a NPM view of how educational administration should be reformed. It also establishes the lack of detail in the policy proposals that later led to conflict between the SSC and the PPTA.

### **The Picot Report**

Harper (1992) has provided a comprehensive, historical account of the formation of the Picot Taskforce and the process of its deliberations leading to its recommendations. She further traced the process of those recommendations through an officials' committee into the government policy document, *Tomorrow's Schools*. Her study can be used to tease out the interaction between education and state sector restructuring. A large part of the factual information given below comes from her study. Her work complements that of Wilson (1990), who traced the meanings the policy document held for each of the participants in the Picot Taskforce. For example, Wilson found an examination of the concept of choice was found to have a different meaning for each of the participants, and that these meanings sometimes contradicted each other. The result, however, was a compromise with which each participant could live.

The Picot Taskforce was made up of three subgroups: three educationalists, two businessmen, and three officials (Harper, 1992). They were thus representative of the groups who were seeking to influence the future of education.

Treasury was represented by Simon Smelt, who Harper asserts was the co-author of Volume II of *Government Management* on education issues (Harper, 1992:33). *Government Management* was issued between the formation of the Picot Taskforce and the publication of its Report. Marijke Robinson from the SSC was influential throughout state sector restructuring, not just over education. Maurice Gianotti was the official servicing the Taskforce. Smelt and Robinson were also on the officials' committee for setting the terms of reference and selecting the membership of the Taskforce.

Lange selected Brian Picot, the Chair of the Taskforce, because, although a businessman, he was not a member of the Business Roundtable (Harper, 1992). Colin Wise was another business representative.

The educationalists were selected because of their personal involvement in education and not because of any affiliation. The inclusion of Peter Ramsay, Associate Professor of Education at the University of Waikato, was at first opposed by Treasury because he appeared to be part of the education establishment, but was included when it was discovered that he was a vigorous critic of the Department of Education (Harper, 1992). Margaret Rosemergy had perspectives from tertiary lecturing at the Wellington College of Education and Chair of Onslow College Board of Governors, as well as early childhood contacts. Rosemergy had not trained as a teacher and viewed “teacher culture” somewhat critically (Harper, 1992). Whetu Werata, a researcher with the Department of Maori Affairs had an extensive background of working in the Maori community and was critical of bureaucratic administration that blocked Maori initiatives (Harper, 1992).

Outcomes were likely to be different to earlier reviews of the administration of education when the different educational interest groups were represented. All participants represented themselves and their own views of education on the committee. While this is generally true of government committees and taskforces, there were two circumstances of the Picot Report that made it of particular importance in this instance. One was the involvement of influential members of the Treasury and the SSC, situated within central agencies, and part of a reform programme. They were therefore better resourced to support their views than the educationalists. Also, the Taskforce adopted a “blank page” approach. They had agreed that, apart from assuming compulsory education between the ages of 6 and 15 and that government would continue as funder of education, no assumptions of what education was for would be made (Harper, 1992). It seems likely, therefore, that the presence of the businessmen and the economic rationalist approach of Treasury and SSC meant that the link between education and the economy would be given preference over education for citizenship and personal fulfilment.<sup>2</sup> This argument is borne out by the language associated with business and the marketplace in the Report itself. Rosemergy, in interview, drew attention to this language that was foreign to her (Harper, 1992).

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<sup>2</sup> Levels 2 &3, Figure 5, Chapter 4, p 63.

The terms of reference of the Picot Taskforce were to examine the work of the Department of Education, secondary school boards and school committees, with a view to change (Taskforce to Review Education Administration, 1988). The members of the Taskforce were therefore working with tensions arising from within the workings of the KWNS approach to education. In particular, the long-standing pressure for less centralisation, for reform of the over-centralised bureaucracy of the Department of Education and for greater involvement of parents in schooling (Barrington, 1990) was a focus. From the outset, then, the partnership approach of the Department of Education and the PPTA to the administration of education was under threat, not only through the ideological disrepute of the label of “provider capture”, but also through the move to decentralise administration.

Submissions in response to the terms of reference were called for. Many of these expressed views that cancelled each other out, with each group desirous of doing more of what they were doing. This had the effect of freeing up the Taskforce to look at radical change. There is some difference of opinion among commentators as to the standing of education at the time the Taskforce sat. Some argue there was no evidence of profound dissatisfaction with education (Dale & Ozga, 1993:67; Kelsey, 1995:219). Both cite a 1983 OECD report on the New Zealand education system, which reported “substantial client satisfaction” and “highly professional administration” in evidence. On the other hand, Ramsay (1993) asserts a high level of discontent with education at the time and also that there was a high level of concern with the administrative structure and the over-close relationship between the Department of Education and teachers. The system was also under attack by challenges from minority groups. The creation by Treasury of the idea of a system in crisis in Volume II of *Government Management* has already been mentioned (Chapter 6).

The reconciliation of these two points of view can be achieved by reference to a regulation approach view of institutions as always in tension, but sometimes within an appearance of stability. As has been observed, education in the KWNS was not without its tensions, and, by being required to focus on the Department of Education with a view to devolution, the Picot Taskforce was focused on an institution that was displaying some need for change. This is a different perspective, however, from that stemming from the viewpoint of economic rationalism whose ideas were profoundly shaping the

intervention and provision of services by the state. These ideas were being experienced as a discontinuity by other parts of the state. It seems reasonable, therefore, to find both views of education present at a time when criticisms were being mounted within the continuity of the KWNS and solutions proposed as a discontinuity.

The common philosophical roots of social democracy and economic rationalism also supply part of an explanation as to why the Picot Taskforce was able to reach agreement on a report when, as Ramsay (1993) reports, there were substantial ideological differences. Marginson (1993:58) provides a very clear summary of the common philosophical roots and the application of the social democratic strand to education.

Nineteenth-century liberalism divided, and one side of it was joined to ideas about citizenship, democracy and state intervention in the workings of markets and the distribution of the means of life – a more positive state than the one envisaged by Adam Smith. This was the lineage of John Stuart Mill, Maynard Keynes and twentieth-century liberal democracy: the mixed economy and an emphasis on ‘public good’. It was in this environment that the public systems of education were developed, with the task of preparing citizens for the exercise of the suffrage. Free market liberals ... oppose this ‘revisionist’ liberalism ...

The Picot Taskforce could therefore reach agreement on a new administrative system that involved the concepts of choice, charters, accountability, efficiency, equity and devolution. The concept of choice and charters are given as examples here.

Choice and local control were essential to Werata for a positive approach to Maori education. This was compatible with a public choice approach. The charter concept was an idea of Ramsay’s to address the problem of accountability of Boards of Trustees (Harper, 1992). The charter was originally intended to be both an educational document and a contract between the community and the institution, and the institution and the state (Codd & Gordon, 1991). This concept was modified later to implement the contractualism of agency theory between Minister and Ministry, Ministry and institutions. The original concept of charter also included the notion of partnership between community, school, and teachers. A combination of the *State Sector Act* and the later personnel provisions of *Tomorrow’s Schools* shaped the nature of the proposed partnership through implementing managerialism and its associated contractual accountability between the Board of Trustees and teachers. The relationship became one of accountability, rather than one of partnership (Sullivan, 1992), exemplified by



the recommendation to establish an independent Review and Audit Agency. Schools would be subject to a two-yearly review to discover whether they were meeting the objectives of their charters. The primary intention was educational (Ramsay, 1993:266) but this idea, combined with the replacement of the Department of Education with a Ministry of Education, fitted well with the NPM policy platform of the separation of functions of policy development, delivery, and evaluation.

The Picot Taskforce Report was not condensed into specific recommendations as such. The Report as a whole contains the proposals. There were eight essential features of the new system: simplicity; decisions made at appropriate levels; national objectives; coordinated decision making; clear responsibilities and goals; control over resources; accountability; openness and responsiveness (Taskforce to Review Education Administration, 1988:41). They represented considerably less bureaucratic control by central agencies and more control of resources at the level of the school. None of them was at variance with a NPM framework and the language used was capable of application in more than one discourse.

The proposal that there be no intermediate structure between the Ministry and individual schools was a radical departure from the bureaucracy of a centrally controlling Department of Education. Each school would be run by a Board of Trustees, which would reflect the 'partnership' between schools and the community they served. For secondary schools, there was a precedent in the old Boards of Governors, but the new Boards of Trustees would be composed of parents, elected by the community. Regional Education Boards that had acted as intermediaries between the Department of Education and schools over some administrative matters, were abolished. This level of devolution with no structures between schools and Ministry was unexpected. The SSC had noted the likelihood of district education boards being established in its briefing to the Minister of State Services in August 1987 after the election, but before the Picot Taskforce had started its deliberations (Harper, 1992).

Both the then Director-General of Education and the Assistant Commissioner Human Resources at the State Services Commission have expressed surprise at the level of devolutionary control given to individual Boards of Trustees through the Picot Report. The Director-General:

We were in our own, but a very different way, keen on the idea of a department as a policy department and shedding the various administrative responses elsewhere in the system, but none of us had made that very important transposition in our own thinking that the middle level bodies like a Regional Office or a District Education Board could go completely. And it wasn't until after Gibbs came out with his Forestry Restructuring Report where he just got rid of the middle layer, that I started to think that this was a very radical solution that they might make. It wasn't even a thought that I shared very much with my colleagues at that stage because my own thinking about that was that given that you had something like 3000 school boards up and down the country, that it really was a bit far-fetched.<sup>3</sup>

#### The Assistant Commissioner Human Resources:

That whole thing came from a different angle altogether, the *Tomorrow's Schools* reforms. To my mind they came slightly out of left field. I wasn't intimately involved in them at all but was quite involved in the reform of management in the health sector and the public service where of course you had big viable employing units in those sectors and by putting in a new accountability framework it was fine. ... I just felt right at the outset that the Government was going to have a very hard row to hoe there in effecting that management reform.<sup>4</sup>

Doug Martin highlighted the consequence of this significant level of devolution for other plans the SSC might have had for reform of industrial relations in education in the same interview. He suggested that other structures would have been more conducive to bargaining reform.

... you could have constructed it in any way you liked. You mightn't have even organised it along primary and secondary lines. You might have looked at the notion of District Education Authorities with professionally appointed Boards that would have responsibility for running a number of schools at all levels within the area which wouldn't have been too much out of the question, I wouldn't have thought. Then you could have built some bargaining structures around that. You'd have had professionally appointed Boards, you'd have had professionally appointed management within that structure and then you could have built bargaining structures. This would have really frightened the teacher unions because they would have seen some viable structures there for breaking down those national documents. I never thought the teacher unions were concerned at the time about decentralised bargaining because there were enough constraints ...<sup>5</sup>

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<sup>3</sup> Interview, Bill Renwick, 5 July 1995.

<sup>4</sup> Interview, Doug Martin, 15 July 1997.

<sup>5</sup> Interview, Doug Martin, 15 July 1997.

The Picot Report contained little in the way of proposals for personnel reforms. These were added later by the SSC in *Tomorrow's Schools*.<sup>6</sup> The main exception was fixed-term contracts for principals, who had management responsibility for staff.

At the conclusion of the Picot Taskforce process, all participants seemed to be satisfied with the proposals, although Ramsay (1993) was later to be critical of the role played by the SSC and Treasury. Harper (1992:48) sums up the complex compromise arrived at.

All the Picot participants could feel that the Report represented their view to some considerable extent. For example, Picot and Wise could be satisfied with the outcome, expressed in business efficiency terms, while feeling assured that they had catered for equity. Ramsay could be satisfied with the restructuring of the Department, and Werata with the additional cultural sensitivity clauses ... Robinson and Smelt could be satisfied that current management structures and techniques were to be introduced to the central department, and that current personnel and management practices could be imposed on teachers, who would now be more accountable by being employed by parents as trustees.

### ***Tomorrow's Schools***

An inter-departmental officials' committee was given the task of producing a policy statement for government from the Picot Report. Smelt and Robinson were also on that committee and therefore provided continuity with the Picot Taskforce. It has been argued by some commentators that once Picot had reported, successive parts of the implementation process and subsequent reviews such as *Today's Schools* (1990) tipped the balance of the education reforms decisively towards a New Public Management framework (Codd & Gordon, 1991; Dale & Ozga, 1993; Wylie, 1995). Others argue that the Picot Report "echoed the Treasury's analysis and recommendations" from the outset (Peters & Olssen, 1999:181). For our purposes here, the important point is that the SSC, in industrial negotiations, was operating from within the discourse of NPM.

The *Tomorrow's Schools* policy document, although apparently an affirmation of the Picot Report's structural reforms was sometimes significantly, if subtly, different to it (Harper, 1992:58). Officials were under tight time pressure to produce the document and the policy text already contained "incoherencies, distortions, structured omissions and negations" (Harper, 1992:60). The reforms were now firmly in the hands of the

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<sup>6</sup> Interview, Doug Martin, 15 July 1997.

government, Treasury and the SSC. The Department of Education could not then gain control of the reforms.

The complexity of an operation that set out to dismantle a structure that had exerted bureaucratic control over the minutest detail of New Zealand education cannot be over-estimated. This, combined with replacement structures, was also to be achieved by 1 October 1989 (Taskforce to Review Education Administration, 1988:83). The Picot Report was silent on the process of how this was to be achieved, as was *Tomorrow's Schools*. *Tomorrow's Schools* was published in August 1988. An implementation unit was established shortly afterwards to address the practical issues. Harper (1992:66) reports that many tasks were still being worked on four years after the release of the Picot Report and three years after implementation.

In summary, the whole exercise of reforming education structures from the creation of the Picot Taskforce in July 1987 to the publication of its Report can be regarded as an encounter between those firmly based in an education perspective and those at the forefront of state sector reform. The presence of representatives from business in the Picot Taskforce added an extra impetus towards situating education as preparation for work.

In addressing tensions arising from within education in the KWNS and combining the proposed resolutions of these with innovative ideas of state sector restructuring, new tensions were introduced. In part these were produced by the unacknowledged differences in perspective towards education's place in the economy and society, but also by the resolution of problems of implementation, which had to be practical in order for the restructured system to work.

In preparation for the chapters that describe the interaction of education industrial relations with this interaction of education and state sector restructuring, Figure 8 sets out the time frame of events. Both the SSC and the PPTA had problems in preparing for and running the Long Negotiation due to the uncertainty about what the Picot Taskforce would recommend, and then in anticipating the detail of what the implementation groups were in the process of working out at the same time. At the commencement of the Long Negotiation in October 1987, neither could predict the

outcome of the deliberations of the Picot Taskforce. To a certain extent, the 1987/88 pay round was a trial by the SSC of proposals that *might* arise if the Picot Taskforce had decided on their predicted structures.<sup>7</sup> Similarly, the codification process took place before the final shape of government policy in *Tomorrow's Schools*. Despite this unpredictability, the perspective of the SSC was firmly based in a coherent framework of industrial relations and state sector restructuring. The PPTA, however, was under pressure to shift from the partnership over education with the Department of Education, while at the same time having to comply with the *State Sector Act*. Its perspective was less coherent as it tried to cope with both education and industrial relations restructuring. For both, the 1989 section of the Long Negotiation was carried out while the implementation process of *Tomorrow's Schools* was occurring. The final shape of some critical structures like devolution of funding to the local level and the Teacher Registration Board was still not clear. It was also not clear what the shape of schooling would be after the reforms. The institution of education was in flux.

Timeline	State Sector Restructuring	The Long Negotiation
July 1987	<ul style="list-style-type: none"> <li>Picot Taskforce announced</li> </ul>	
August to December 1987	<ul style="list-style-type: none"> <li>Publication of <i>Government Management – Part II</i> on Education</li> </ul>	<ul style="list-style-type: none"> <li>1987 pay round – SSC trial of new personnel provisions</li> </ul>
April 1988	<ul style="list-style-type: none"> <li><i>State Sector Act</i></li> <li>Picot Taskforce Report on Education</li> </ul>	<ul style="list-style-type: none"> <li>Union registration</li> <li>Codification</li> <li>Conclusion of 1987 pay round through arbitration</li> </ul>
August 1988	<ul style="list-style-type: none"> <li>Publication of <i>Tomorrow's Schools</i></li> </ul>	<ul style="list-style-type: none"> <li>Codification continuing through to October</li> </ul>
To 1 October 1989	<ul style="list-style-type: none"> <li>Implementation Groups</li> </ul>	<ul style="list-style-type: none"> <li>1989 negotiations of TS</li> </ul>

**Figure 8: Timeline of state sector restructuring and the Long Negotiation**

The personnel provisions contained in *Tomorrow's Schools* and which came under discussion during the Long Negotiation are as follows:

1. The Board of Trustees would be legal employer of teaching staff and responsible for employment and staffing matters.

<sup>7</sup> Interview with Doug Martin, 15 July 1997.

2. The Board would appoint the principal and approve all other appointments.
3. EEO principles would be adopted.
4. The Board would determine starting salaries.
5. The appointment of the principal would be on a contract within a salary range established nationally. The term of the contract would be negotiable between the Board and the principal. A further two senior teachers in secondary schools would also be on contract on the same terms.
6. The priority rights scheme<sup>8</sup> would be abolished.
7. The costs of appointment, except for removal expenses, would be borne by the Board.
8. “Teachers of outstanding merit” would be built into salary structures.
9. A bulk grant with two components would be paid to all schools. One would be for teaching salaries and the other for operational activities.
10. Apart from the setting of maximum and minimum staff: student ratios, Boards would have the freedom to employ what staff they wished. They could also choose the salary rate.
11. Awards and salary scales would continue to be negotiated nationally with the SSC. The SSC would consult with the employers’ representatives.
12. The Board of Trustees would be responsible for carrying out procedures of teacher appraisal and discipline according to the requirements of the Award.
13. A Teachers’ Registration Board would be established.

These translated into the SSC claims placed before the PPTA at the start of renegotiation of the newly codified Secondary Teachers’ Award in 1989.

### **Response of Teachers and their Educators to the Interacting Discourse**

It was natural for those who had grown up and taught within the continuity of the dominant KWNS approach to education to experience the advent of the new philosophical approach to education, advanced by Treasury, as a discontinuity. Those who had the greatest effect on the discursive forums of teachers, University lecturers,

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<sup>8</sup> A priority right over other teachers was granted to an individual teacher who became redundant due to a drop in student numbers. Retention of this provision would have been incompatible with the power of the Board to be able to choose which teachers to appoint.

lecturers from within the teacher training institutions, Colleges of Education, and teachers themselves, were operating within an approach to education that they had been used to for the whole of their lives. Educational writing in New Zealand about the reforms therefore emphasised the discontinuity. The tone was often one of affront at what was perceived as an assault on social democratic principles that stretched back to the end of the nineteenth century.

Analysis and the literature arising from within the profession itself, a term that includes those in Education Departments in Universities and Colleges of Education will be presented here. The literature relating to the sources of the ideological and theoretical reforms and the context wider than education has been presented in the previous chapter. Discussion will be confined to works that emerged during the period under consideration or immediately after, on the assumption that the works produced then were in gestation as the interacting discourse took effect. As time wore on, of course, analysis became more sophisticated. Also, by then, it has to be assumed that the effects of the new dominant discourse were interacting with the discourse of the KWNS with the beginnings of compromise and change. It will be noted that the literature draws on analysis of educational reforms in all of the UK, US, Canada, Australia and New Zealand. Similar economic and social transformations and effects on education were occurring in each. While the precise processes and outcomes were different, the ideas and practice influenced one another. Differences arise from the common acknowledgement that economic rationalism was implemented in New Zealand in a purer theoretical form than elsewhere. As discussed in Chapter 4, intellectual analysis in New Zealand is continually subject to international literature, which shapes thought as it is applied to the New Zealand situation.

Signs of the magnitude of the change were not only the number of analyses, but also the number of differences to observe. The issues chosen for highlighting here are those that informed PPTA's response to the reforms. They include discussion of the *New Right*; *efficiency* and *equity*; *marketisation*, including *competition*, *commodification* and *choice*; *bulk funding*; *devolution*; *managerialism* and the associated move to *self-managing schools*; *accountability*; and *the place of teachers within the reforms*.

The effect of the reforms worldwide was very quickly analysed within educational circles as signalling a change in schooling. An international specialist in the school curriculum expressed the international shift in education succinctly.

What education is *for* has been transformed. It is no longer seen as part of a social alliance that combines many minority groups, women, teachers, administrators, government officials, and progressively inclined legislators who act together to propose social democratic policies for schools, such as expanding educational opportunities or developing special programs in bilingual and multicultural education and for the handicapped. A new alliance has been formed, one that has increasing power in educational and social policy. This power bloc combines industry with the New Right. It is less interested in redressing the imbalances in life changes of women, people of color, or labor than in aiming at providing the educational conditions believed necessary for both increasing profit and capital accumulation and returning us to a romanticized past of the 'ideal' home, family, and school.

(Apple, 1988:274).

This idea of a political coalition called the New Right promoting the changes was picked up by writings on education and the reforms in New Zealand (for example, Lauder, 1987, 1990; Peters & Marshall, 1990). The policies promoted by Treasury, and expressed in its various briefing papers, were seen not only as ideological, but also political propaganda for the New Right.

The PPTA adopted the term *New Right* and used it as a phrase that encapsulated all that it opposed in the state sector and education reforms. For example, facilitators of PPTA regional seminars, held to mobilise against and to prepare members for the *State Sector Act, 1988* received a circular from PPTA National Office entitled "What is the 'New Right'?"<sup>9</sup> Later, the President of the PPTA offended David Lange, the Prime Minister, also Minister of Education, at the 1988 PPTA Annual Conference by labelling the Labour Government reforms as 'New Right' (McQueen, 1991). The term therefore came to have a denigratory meaning within the PPTA community. The creation of a political enemy in this way provided the PPTA with a shorthand that served to cohere member opposition to both the ideology and those promoting it politically.

Lauder (1990:11) identifies two fundamental principles in New Right educational policy. One is the view that education is a private good, not of benefit to society as a

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<sup>9</sup> HC88/16, HO to Seminar Facilitators, 11 February 1988



whole and the other is that of competition. Education as a private good will be dealt with first as it is interesting that the notion should have been so vehemently opposed by those whose fundamental beliefs included a high priority for the idea of education as self-fulfilment.

At the time, the New Right was being theorised as containing two components, one restoring a liberalism that had been eclipsed by a different approach to liberalism through the twentieth century, and the other traditional conservatism (King, 1987; Levitas, 1986). The difference in approach of the New Right to freedom and the individual, citizenship and the economy as compared with the dominant strand of the twentieth century, were all discussed. These were the key principles underlying New Zealand education (Renwick, 1986a).

Classical liberalism developed in the seventeenth century in reaction to the constraining influences of church and state on the economic rise of capitalist principles. It was associated with the new concept of the individual who owned property and accumulated wealth, had a right to private space and was free of interference by the state. Liberal progressivism diverged from this approach under the influence of the French revolution and became associated with ideas of political democracy and the use of the state to achieve self-determination. The two approaches of liberalism have sometimes been categorised as negative freedom vs positive freedom (Marginson, 1993). It is the latter philosophical approach within which the education settlement of the KWNS is situated. Education in the KWNS thus emphasised self-fulfilment and citizenship within the state, rather than economic individualism and freedom from the state.

That the two had a common heritage largely escaped the activists of the PPTA. Anecdotally, a PPTA activist when reading some of my preparation for this thesis objected to the use of the term *neo-liberalism* as the term *liberalism* was felt strongly to be reserved for the positive educational principles for which the PPTA stood and to which the New Right was opposed.<sup>10</sup>

The second principle that Lauder identifies in his 1990 paper is that of competition within a context of parental choice. Lauder's analysis can be placed alongside other

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<sup>10</sup>J. Grant, personal communication, 1996.

analyses that labelled the reforms as the marketisation and commodification of education. All denote an appreciation of the shift in attitude towards education as primarily an economic undertaking. Education was being repositioned in direct support for the process of capital accumulation, including the labour market,<sup>11</sup> and therefore the characteristics of commodities such as competition and choice were being applied.

Lauder relates the introduction of competition between schools to the concern of the New Right with inefficiency. Within New Right thinking, education results in the acquisition of marketable skills. Just which skills are marketable and needed in the labour market can only be determined efficiently by the introduction of competition. Grace analyses the intellectual arguments of Treasury in its 1987 brief and refutes their argument of education as a commodity in the market place rather than a public good (Grace, 1990b). If education is not regarded as a commodity, then much of the content of the education reforms must be regarded as faulty.

An integral part of competition within the marketplace is the concept of consumer choice. Choice was widely analysed internationally and what it could and would mean in education and its outcomes predicted (Chubb & Moe, 1990; Codd, 1993).

By 1991, in a commissioned report for the New Zealand Council of Trade Unions, Lauder was calling the reforms the marketisation or a market-led system of education (Lauder, 1991). He argued that the four major features of such a system were competition between educational institutions, user-pays policies, a corresponding reduction in state expenditure on education and the introduction of elements of privatisation into education.

This progression through stages by which education was to be eventually privatised was an analysis accepted by the PPTA. Observation of this process of corporatisation and eventual privatisation through which many state trading activities had passed since 1984 provided practical evidence for the theory. The transfer of state activities to state-owned enterprises had occurred during the period 1984–1987 and, at the time of the Long Negotiation, these were progressively being sold to private enterprise. The teacher unions made a strong connection between the devolution of control over their

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<sup>11</sup> Level 1, Figure 5, p 63.

own administration and salaries budgets to local Boards of Trustees and the potential for governments to reduce funding of state education. They believed that it was the first step towards potential privatisation of education.

Gordon (1991) traces the history of the proposal to devolve budgets, called bulk funding in education. Both the Picot Report and *Tomorrow's Schools* contained proposals to devolve school budgets to the control of school boards and principals (*Administering for Excellence*, 1988; Lange, 1988). In both, a bulk grant, consisting of two components, was proposed. The operational activities grant was to cover administration, ancillary support, maintenance, and the non-salary aspects of teaching. The size of the other component, the teaching salaries grant, was to be decided by a nationally determined staffing formula combined with nationally negotiated pay scales. The Board was to be allowed some discretion in the use of the funds and could transfer between them, so that it effectively would have flexibility in the numbers of teachers it employed and the rate at which they were appointed.

Bulk funding had severe implications for the PPTA. It was opposed for a number of different reasons, all equally compelling. One was the link between bulk funding and proposals to give discretion to Boards over the placement of individual teachers within the salary scale and the criteria they might use in doing so. The total opposition of the PPTA to any shift in teachers' pay scales away from a standardised national scheme applicable to all teachers towards a more individualised one needs further explanation. The PPTA itself tended to elide the differences between performance pay, merit pay, differential starting salaries, and the use of salary as a recruitment and retention into one philosophical objection to singling out some teachers for better pay than others.<sup>12</sup> Once again, the objection to performance or merit pay relates to the relative autonomy of the classroom and the imprecise nature of the activity of teaching (Murnane & Cohen, 1986). Even where merit pay systems for teachers had been tried, the relationship between particular teacher actions and student learning had been difficult to ascertain. Similarly, it had not been possible to set out steps individual teachers could take to earn merit pay (Murnane & Cohen, 1986).

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<sup>12</sup> CI 87/14, Backgrounder No. 3, n.d.

The objection to subject differentials as a means of recruitment and retention related to the problem of staffing schools. Despite the rhetoric of quality secondary teachers, practically teachers in secondary schools often found themselves teaching subjects other than the ones in which they had qualified.<sup>13</sup> There was, therefore, some truth in what the PPTA said about the difficulty of singling out some for special attention. Opposition to the use of pay for recruitment and retention could not be justified in the same practical way. The grouping of the categories, therefore, under the heading of merit pay served the philosophical objection of the PPTA to individualising pay scales.

The SSC, during negotiations, did point out that the PPTA had not objected in the past to the use of a Special Staffing Incentive Allowance to teachers in schools that were hard to staff. During the late 1970s and the early 1980s these schools were largely rural or schools that, because of their special nature, had difficulty in recruiting teachers.<sup>14</sup> The PPTA could hold this position, however, by emphasising the fact that all teachers in those schools received the Special Staffing Incentive Allowance and it was not therefore individualised. It was, however, a weak point in the PPTA position.

Another reason for opposing bulk funding was the proposed trade-off Boards could make between total salaries and the number of teachers that could be employed. This concern was not just a concern over conditions of service, for example, fewer teachers might mean larger classes. The PPTA's professional project had included the work of many years in introducing a staffing scheme which was related to curriculum delivery and the management and guidance function of secondary schools as well as class size. In order to appreciate the curriculum consequences of education policy that allows local control of the number of teachers employed, a digression into the link between the number of secondary school teachers and the curriculum in individual schools needs to be made.

*Staffing* is a term that means more than just the total number of teachers assigned to an individual school although this is the end point of any staffing system. In a state-administered bureaucratic education system, arriving at this end point includes consideration of the role played by each teacher as well as the size of the classes for

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<sup>13</sup> CI 87/14, Backgrounder No. 3, n.d.

<sup>14</sup> *PPTA News*, 6, 9, July, 1985.

each teacher. For instance, using a simple example first, each school must have a principal and, say, a teacher each of classes in woodwork and home science. A Deputy Principal and other specialist teachers, depending on government policy over what functions should have specialist teacher roles attached to them, may supplement these. The number of other teachers is determined by government policy on student numbers in each class. Once the number of specialist positions has been determined, this, combined with a decision about class size, ultimately determines the total number of teachers in a school. Staffing policy then shapes the technical exercise of devising staffing formulae by which each school can calculate the number of teachers to which they are entitled. Staffing policy, therefore, shapes the context of learning and also determines the total teacher salaries bill for Government.

The emphasis on subjects in the secondary school curriculum means that staffing policy affects not only the number of administrative positions and the size of each subject class, but also the number of subjects, or the breadth of the curriculum that each school can offer. This is not a problem for large schools, but for smaller schools, offering sufficient numbers of subjects to meet national assessment requirements can be a problem. Determining the staffing policy for secondary schools, therefore, is a complex matter, often requiring difficult choices between maintaining a breadth of curriculum and containing class size in popular classes. For example, the provision of Latin classes might mean that each English class must have 45 students in it.

This amount of detail has been provided to highlight the educational consequences of devolving the salaries component of educational funding to schools. In providing individual schools with the power to determine the total number of teachers they employed, government was delegating not only responsibility for the funds, but also power over the breadth of curriculum offered in secondary schools as well as the size of individual classes. So, while there was an element of concern by the PPTA over the teaching conditions aspect of increasing class sizes, the bulk funding of teacher salaries intimately affected the breadth of curriculum in each school. This was something the teacher unions believed was the responsibility of government policy to determine, not that of local Boards of Trustees. The argument that salaries bulk funding imposed

curriculum policy on government by default is a sophisticated one, and not one that the SSC was prepared to enter into with the PPTA in negotiation.

In addition to their concerns over control by Boards of Trustees of individual salaries and staffing policy, the teacher unions also believed that bulk funding would be but a first step towards full-scale site-based bargaining over Awards, and the demise of a national teaching service. There were grounds for this belief in parallel with what was happening in the rest of the public service and in health. The collapse of a national Award system into school site Awards with local PPTA branches bargaining with Boards of Trustees was of such magnitude both industrially and educationally, that opposition to the first step towards this, bulk funding, assumed high importance. While the Assistant Commissioner Human Resources in the SSC believed that the level of devolution had ruled out site-based bargaining in the schools sector because of the fiscal risk,<sup>15</sup> the General Secretary of the PPTA was no less convinced that the potential was a real threat at the time<sup>16</sup>.

It was all of these plus the spectre of implementation of policy proposals that, in the view of the PPTA, would lead inexorably to the privatisation of schooling, that led to its implacable stance against bulk funding. The seminar preparing members for the changing environment at the time of the State Sector Bill contained an overhead that traced the path from the introduction of bulk funding, to funding levels for individual schools being held steady or reduced, followed by privatisation when schools could not work within their budgets.<sup>17</sup> The PPTA attempted to make bulk funding part of the 1989 negotiations, demonstrating that salaries bulk funding led to pay inflexibility but the SSC refused to engage with the arguments.<sup>18</sup>

In the event, bulk funding was not introduced system-wide to New Zealand. This outcome, however, lay in the future at the time of the events in this thesis. During the 1989 negotiations (Chapter 10) the proposals for the bulk grants were part of the total package of *Tomorrow's Schools*. At the same time as the negotiations were taking place, implementation groups were busy preparing for the transition to the *Tomorrow's*

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<sup>15</sup> Interview, Doug Martin, 15 July 1997

<sup>16</sup> Interview, Kevin Bunker, 17 December 1996

<sup>17</sup> Seminar pack, *State Sector Bill*, 1988.

<sup>18</sup> HX89/125, 11 March 1989.

*Schools* administration system. In the rush to meet the 1 October 1989 implementation date, however, it was decided in the Funding Implementation Group that devolution of the salaries component was too complex and would be delayed (Gordon, 1991). This delay led to the ability of teacher unions to focus on defeating the “bulk funding” proposals which then became a central industrial issue for them during the ensuing decade. However, at the time of the process described here, the concerns of bulk funding described above were still a very real threat for the PPTA.

Bulk funding highlights the devolutionary core of the reforms. Martin (1991) draws a distinction between devolution as the transfer of power, authority, and responsibility from the national to local level; and decentralisation as the delegation of power and authority to local level, with ultimate responsibility remaining at the central level. Barrington (1990) argues that decentralisation is not new in New Zealand. Virtually all official committees reviewing the administration of education for many decades, and certainly immediately prior to Picot, recommended devolving greater responsibility and authority to governing bodies of primary and secondary schools, particularly over finance. Decentralisation and devolution were carried out differently in education to other state services. There was no middle administrative layer between the Ministry of Education and schools themselves. The terms of reference of the Picot Committee made two concepts central, those of devolution and efficiency (Codd, 1990). By 1991, the implications of the devolutionary moves in education were still unknown (Martin, 1991).

The PPTA had been used to some employer powers being exercised by the Boards of Governors of secondary schools before the reforms and did not express opposition to the creation of Boards of Trustees. As with bulk funding, though, the devolution of greater employer powers to Boards of Trustees carried some threats. The PPTA was concerned that if criteria and procedures for teacher competence and discipline were removed from legislation without placing them in their Award, there would be no safeguards for national standards of accountability.<sup>19</sup> If the responsibility for criteria and processes had been given to Boards of Trustees, standards would have varied from Board to Board. This concern lay behind the emphasis on “national standards” throughout the Long Negotiation.

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<sup>19</sup> See Chapter 5.

The devolution of some control to Boards over operations and salaries budgets was also occurring in other parts of the world. Reactions to the proposals in New Zealand, other than from the teacher unions, arose from two different sources. One was a continuity and the other a discontinuity with the past. The first, identified by Barrington (1981), was the response from those who had been seeking greater authority for secondary school Boards and primary school committees over school governance, including finance. This resonated with initiatives by principals for less bureaucratic interference by the Department of Education in individual school management. The discontinuity arose from within the neo-liberal proposals for less state interference in social services and the model of public sector management.

Bulk funding and the transfer of full employer powers to Boards of Trustees became enmeshed with other issues of education reform, not directly linked to mainstream theories of education, the New Right and the state. These lay within desires for greater management autonomy by school principals. The attention of principals became focused on what was termed the self-managing or effective school movement. Influenced strongly by managerialism, the need for school principals to be effective managers and inspirational leaders was a focus. To that extent the ideas were compatible with the managerialist component of NPM, particularly managerialism and its emphasis on the importance of management. However, the educational literature about self-managing schools was so extensive internationally that for many school principals, the ideas were seen to be arising and evolving from within education. The link to the concurrent state sector restructuring was not self-evident.

These new and innovative ideas were given credibility by principals, and the PPTA was seen by many as opposing positive change. The proposals of *Tomorrow's Schools* that satisfied their concerns assumed an importance for some principals that led them to believe that the wider concerns of the PPTA were ill founded. The PPTA did not resolve these differences. This enabled some principals to form a breakaway group from the PPTA, called the Secondary Principals' Association of New Zealand (SPANZ). SPANZ was influential during the 1989 negotiations in interaction with the SSC over the possibility of fixed-term contracts for principals.



Caldwell & Spinks, educationalists in Tasmania, were influential in the self-managing schools literature and discussion. However, while addressing specifically what self-management meant in practice and discussing international attempts to achieve the goal, some link with an economic rationalist agenda can be seen (Caldwell & Spinks, 1988). For example, in the preface to their book, they make an explicit statement that connects them with other neo-liberal literature.

We believe that the values of effectiveness, efficiency, equity, liberty, choice and, indeed, excellence, are not mutually exclusive, and that the time is now at hand in many countries to bring about a shift in the centralisation-decentralisation continuum as far as the management of education is concerned. This shift is already underway in a number of places including Britain, Australia, Canada and the United States.

(Caldwell and Spinks, 1988:vii)

The self-managing school had a variety of names worldwide and the schemes also differed in the mix of control schools had over finance and staffing. It was called Local Management of Schools (LMS) or Local Financial Management in Britain, School-Based Budgeting in Edmonton in Canada, and School-Based Management (SBM) in the US.

LMS in Britain was influential in New Zealand because of the perceived success of financial delegation of the salaries budget to schools. This was regarded as a success by government and management only, however. Teacher unions in Britain were less enthusiastic because diminishing funds from the centre meant that there were teacher redundancies and lower staffing levels in schools.

Edmonton, Alberta was also influential, again because of the success of its system. This time, however, constraints on the scheme through “indirect” bulk funding ensured a different protection against reduction in funding by governments. The “indirect” involved only paper transfers of salaries within a tightly controlled system-wide administration of the salaries budget. It allowed some flexibility of allocation of staffing between subjects and for other purposes within the school, without schools having to bear the consequences of budget deficits. The possible disadvantageous

effects on education were thus minimised. The PPTA during 1989 consulted with the teachers' union in Edmonton over how the indirect system worked.<sup>20</sup>

The importance of SBM in the US for New Zealand lay in its close connection with the introduction of performance or merit-based pay for teachers. Merit pay schemes had been used in the US for many years, although most had failed (Johnson, 1984). The concept of Teachers of Outstanding Merit had been introduced in the Picot Report and continued in *Tomorrow's Schools*. This, combined with variable starting salaries and proposals that were being made in the industrial relations reform, led the PPTA to mount opposition to performance or merit pay, although its precise form apart from variable starting rates was never put forward by the SSC in negotiations.

The strand of educational reform associated with self-managing schools, therefore, had already left the KWNS compromise behind and principals were busily adapting to a new world within education long before the rest of the PPTA membership.

Accountability formed a focus of the Long Negotiation. Codd (1999) argues that the way in which the term *accountability* has been used since the reforms lies within a model of managerialism and culture of distrust. He argues that there is an alternative interpretation to educational accountability that promotes professional responsibility and collegial trust. In a perceptive article in the same issue of the *New Zealand Journal of Educational Studies*, Sullivan (1999) analyses the different discourses of teachers and the Ministry of Education towards the concept of professional standards. These both serve as a useful introduction to the discussion in the next chapter over the PPTA's approach to accountability of secondary teachers within the KWNS. The story of the 1989 industrial negotiations in Chapter 10 highlights this difference in approach. The negotiations demonstrate the managerial discourse interacting with an entrenched professional discourse of accountability rather than as Sullivan portrays, the teachers simply reacting to the managerial approach.

The effect of the personnel reforms of *Tomorrow's Schools* on teachers' work and teachers' organisations was not analysed extensively at the time. Capper & Munro

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<sup>20</sup> PPTA File 8/1/18, Telephone Interview with Jim McLaren, Deputy Executive Secretary, Edmonton Local, Alberta Teachers' Association, 3 February 1989.

(1990), analysing the effects the managerial reforms would have on teachers' conditions of work, was an early exception. Teachers' work has since become a focus for commentary on the reforms, however (for example, Gordon, 1993; Robertson, 1999). Jesson has continued her 1995 work on teacher union strategies in the face of the reforms, particularly those of the PPTA (Jesson, 1995, 1999). Aikin (1992) played an early similar role in analysing NZEI strategies.

In her 1993 work, Gordon tracks the effect of the education reforms and their underlying managerialism to argue from the perspective of labour process theory that the professional role of teachers in education as a state project had been removed. Instead, teachers have been reconstituted as workers, their behaviour subject to monitoring and control by external agents. Gordon calls the process the proletarianisation of teachers. Gordon has linked this to the post-Fordist shift towards greater labour market flexibility.

There is an irony in this treatment of teachers. From being cast as semi-autonomous agents, with inputs at all levels of the system, a range of skills and flexibility in applying them from policy to practice, they are now be seen as little more than production line workers, subject to regular ... inspections and good for only one thing. Yet the same people who are causing this trend – and I can include the Minister, Treasury, the SSC and the NZBR<sup>21</sup> in this – are just those people who are preaching the need for new, flexible autonomous, well-informed workers for the technological economy of the future! Apparently teachers are to be excluded from this bright new future which is so widely heralded.

(Gordon, 1993:42)

Lauder has further consistently argued that the education reforms should be situated within changes in the global economy and to changes in Fordist production processes in particular (Brown & Lauder, 1997; Lauder & Brown, 1988). Brown et al. (1997:2) argue that the binding ideology of the period of the KWNS was forged by the concept of technical rationality. Bureaucracy was the dominant organisational principle of work.

In the process of writing this thesis, the shift from bureaucratic forms of control in the various facets of education to those of neo-liberalism has continually been in evidence. This point has not been emphasised, however, in tracing the process of change, as the shifting position of teachers within the state has been the focus, rather than teachers'

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<sup>21</sup> New Zealand Business Roundtable.

work itself. There is more to be said, however, on interpreting the change to teachers' work from the perspective of labour process theory.

This brings us full circle to the importance of the state in analysing the reforms. The education reforms have been placed in the widest possible context of global economic development (Brown & Lauder, 1997). They have also been placed in relation to the articulation of the state, capital and civil society and the dual crises of capital accumulation and legitimation (Codd, 1990; Codd et al., 1990). Dale (1990) has been instrumental in situating education within the state.

Development of educational commentary and theories in this tradition has continued strongly through the 1990s and into the twenty-first century but will not be considered here as the ideas and writings that evolved were not influential on the process described here. In particular, Olssen and Matthews (1997) and a special issue of the *New Zealand Journal of Educational Studies* (Thrupp, 1999) provide continuity of comment from the works discussed here.

## **Conclusion**

The three chapters that follow trace the process of change in re-positioning teachers within the state project of education. The case study used is based within industrial relations covering the period 1984–1989. It includes consideration of changes in the law and the results of negotiation between one arm of the state, the SSC and the PPTA, the representative of another part of the state, teachers.

## **Chapter 8**

### **Business as Usual and Portents of Change**

#### **Introduction**

The period from 1984 to 1987 has been regarded as the time in which the reforming economic rationalist ideas of Treasury and the State Services Commission were translated into a policy and legislative programme by the Fourth Labour Government (Kelsey, 1995; Jesson, 1989). Their election manifesto did not contain any indication that this was to be so, but a financial crisis as the new government took office enabled the Minister of Finance, Roger Douglas, to establish a high level of government commitment to an economic rationalist agenda (Holland & Boston, 1990). This approach to the economy and to the initial reshaping of commercial state activities into State Owned Enterprises (SOEs), while not undisputed within government, established a programme of state reform in which the central control agencies, Treasury and the SSC, were much involved (Holland & Boston, 1990).

For education, however, these same three years with Russell Marshall as Minister of Education saw the culmination of many issues within the education settlement of the KWNS. The review of the curriculum and senior school assessment were the most important for secondary education. These two, combined with other initiatives relating to the working conditions of teachers and a review of the classification system to make teachers more accountable, meant that the period was also a climax of success for the PPTA within the institutions of the KWNS. This does not mean that other tensions within the education settlement that were to interact positively with the economic rationalist ideas were not building. Nor that the Minister of Education, the Department of Education and the PPTA were not aware of what was occurring in other parts of the state. But significant areas of policy that the parties had been working towards for many years were now achievable under Marshall as Minister and these continuities consumed the attention of these parties and relegated other matters to the status of irritating distractions.

Russell Marshall describes this period when he was Minister of Education.

We went ahead with [the curriculum review] and did a whole lot of [work] on senior school assessment. PPTA was heavily involved in both those issues, on the curriculum [review], nationally and locally, and senior school assessment. Those were the big issues which were building. ... Tucked away within that there were other issues – the big one was the one which led to *Tomorrow's Schools*. ... There had been moves off and on over a long period of time to improve the administration of education. ... I had written a piece in the Manifesto to the effect that we should review the administration. We had three regional offices. There was autonomy in secondary schools that wasn't in primary schools and we thought that we could improve and make more efficient the organisation.<sup>1</sup>

The Department of Education might have been expected to have a clearer picture of the impending encounter with economic rationalist state sector reform. Bill Renwick, the current Director-General of Education confirms that. This excerpt from an interview with him is quoted at length because it also establishes a reason why the *Tomorrow's Schools* reforms were successful when many others had failed.

For as long as there had been a national system from 1913/14 onwards, there had been various attempts to reform the system as a sector of public activity. They'd all failed. There was the Cowan Commission that made some cosmetic changes in 1914/15. There was the Atmore Committee of 1929. Virtually nothing happened. There was the Currie Commission with respect to the overall administration ... failed. There was the Education Development Commission proposals. Every one of them had failed. The reason why was really quite simple. They had been coming from within the sector. They were coming to Ministers [of Education] most of whom didn't last very long in the job. A Minister that lasted longer than three years was an unusual Minister. Given the sorts of priorities they would come with and given the kind of issues they would be able to make an impact on, reforming administration was never even a starter. If, as it happened, the notion of reform had come from within the Ministry or from the Minister the chances of it happening were slight and indeed they never had. The thing about the Labour Government reforms or restructurings were that they started with an idea that was right across all government activity and I can well remember a meeting that we had with the Cabinet Expenditure Committee or whatever it was called, that Geoffrey [Palmer] ran with Roger Douglas there and Russell [Marshall] and myself and some Treasury officials. It was at the point where they'd made their big breakthrough on the state owned enterprises and they were setting the financial plans for the upcoming year. It must have been 86/87. Russell said in a jocular way, "Well, when are you coming at me?" Douglas said, "Well, we'll leave you and health and social welfare for another year yet." The point that I'm really making there is that this was a concerted government approach to the whole of the public sector and therefore it was plain that education was not going to be left out because it was clearly one of the ugly ducklings and it was

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<sup>1</sup> Interview, Russell Marshall, 13 February 2002

clearly big and politicians from Kirk onwards had been highly critical of the systems that they found themselves presiding over. We saw it coming very very clearly once the corporatisation process got into motion. It was very difficult to prepare ourselves inasmuch as we all had our heads down trying to cope with Russell's agendas.<sup>2</sup>

The political and industrial successes of the PPTA in this period contributed to the confidence with which it engaged with and opposed much of the government's state sector reform later. The issues with which it was engaged also contributed to the positions adopted in the Long Negotiation. The union ran four major campaigns during these three years. One was a salaries campaign, eventually argued in the Public Sector Tribunal under the recruitment and retention criteria of the *State Services Conditions of Employment Act, 1977 (SSCE Act)*. The second was a political campaign designed to improve staffing levels in schools. The third widened this political campaign into a broad-based membership mobilisation around improving conditions in secondary schools. The fourth was a review of the Classification system, designed to extend accountability beyond basic-scale teachers to those in middle management positions and Senior Management.

An analysis of the negotiations between the SSC and the PPTA through 1987–1989 is impossible without establishing that the PPTA was committed to the continuation of its own agenda, as well as in defence of certain principles. The success of the 1986 Tribunal arbitration on teachers' pay, the urgency of teacher demands for improvements in staffing and conditions, and membership commitment to the union in pursuit of these became woven into one professional/industrial project that could be redirected into a defensive strategy as well.

The intention of this chapter is to establish the components of this project and to portray a period in which the PPTA's political and industrial activities challenged the boundaries of the state pay-fixing legislation, the KWNS educational partnership, its relationship with the Combined State Unions (CSU), and membership loyalty.

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<sup>2</sup> Interview, Bill Renwick, 5 July 1995

## **The Staffing Campaign**

As the fourth Labour Government came to power, the comments of staff at the PPTA national office illustrate the continuing perception that the PPTA was part of the partnership in education and was the means by which teachers made their input into directions and development of secondary education.

About a new assistant secretary at the PPTA head office it was reported:

She sees PPTA as the main avenue through which people can effect changes in secondary education, a belief which, combined with her growing involvement in the association, led to her decision to leave the classroom for head office.<sup>3</sup>

The outgoing assistant secretary expressed similar sentiments:

I was attracted to the job with PPTA because as a secondary teacher I was convinced of the need for improvements in teachers' working conditions and the secondary education system.<sup>4</sup>

In the first months of the Labour Government, the KWNS educational settlement was intact and displayed consensus over the priorities of education for citizenship and personal fulfilment within the social contract of the welfare state. The President of PPTA had this to say at the 1984 PPTA Annual Conference in August:

We can insist that no government ever again forgets that they are elected to provide citizens with jobs, health care, housing, welfare and education.<sup>5</sup>

The Minister of Education, asked about his basic philosophy on education, also expressed commitment to an education system in the terms of Beeby:

A couple of things come to mind immediately. One is the need, insofar as is possible, for the education system to redress inequalities. Another one has really been around ever since the days when Beeby wrote it in his annual report for Fraser over 40 years ago – the need to have an education system that allows every child to develop his or her full potential.<sup>6</sup>

This does not mean that the PPTA was unaware of the different view Treasury was putting forward on education. The Assistant General Secretary, in commenting on Treasury's presentation to the Economic Summit, held in 1984, put it thus:

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<sup>3</sup> *PPTA News*, 5, 12, August 1984, p.7.

<sup>4</sup> *PPTA News*, 5, 2, February 1984, p.8.

<sup>5</sup> *PPTA News*, 5, 13, September 1984, p.3.

<sup>6</sup> *PPTA News*, 5, 12, August 1984, p.8.



With all due respect, however, I would suggest that the Treasury has approached education from the wrong angle. It has assumed that education is just another area of government spending – like export incentives – which can be analysed in profit and loss terms and which, if run on private business lines, can operate more economically.<sup>7</sup>

For the time being, the PPTA could dismiss the Treasury views in this way. It concentrated on moving ahead with its own agenda for improvements to secondary education.

The PPTA's staffing campaign of these years illustrates the level of day-to-day partnership with the Department of Education, the sharing of technical expertise, and the mobilisation of members in political lobbying.

The publication of the *Report of the Secondary School Staffing Working Party* by the Department of Education in 1983 was the result of years of cooperation between the Department of Education, the PPTA, and the Secondary Schools Boards Association (SSBA) towards producing a coherent staffing policy. The comprehensive result contained formulae for calculating the numbers of teachers for their roles in specific schools in the minutest detail. Implementation of the entire scheme, however, required a large increase in the numbers of secondary teachers and therefore a large cost to government.<sup>8</sup>

Both the Department of Education and the PPTA were enthusiastic about the mechanism which allowed for the phased implementation of the scheme. At this stage, the technological capability of the PPTA was ahead of the Department and speedy calculations of the effects of different ways of implementing the scheme were largely in the hands of the PPTA. Both the Department and the PPTA made representations on the worth of the scheme to successive Ministers of Education. Some progress had been made under the previous government, with the allocation of 84 new secondary teacher positions. Once Labour was in power, the PPTA set in train a political campaign to secure further new positions.

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<sup>7</sup> *PPTA News*, 5, 14, September 1984, p.2.

<sup>8</sup> *PPTA News*, 5, 11, June 1984. The entire issue was an Election Special and devoted to discussing these staffing issues.

The name of the system was shortened to the Secondary Staffing Report, or SSR as it became known. The campaign was therefore organised around SSR. SSR provided the sole focus for the PPTA's election campaign in 1984. The prospective election campaign provided a training ground for the organisation of skilled membership teams the PPTA brought to lobbying right through to the end of the 1989 Award negotiations. Each PPTA Region formed a campaign team. In an editorial, the President described the highly politicised approach to lobbying.

The job of the campaign team was to organise leaflet distribution, advertising, attend campaign meetings, interview candidates to brief them on the staffing report and to obtain their views on and, if possible, commitment to the staffing report. The intention was to build each electorate campaign around the concerns and needs of the secondary schools in the electorate using the community conferences on the staffing report which were to be organised during term two.<sup>9</sup>

In the event, a snap election called in June 1984 shortened the period of the planned campaign. Nevertheless, in the same editorial, the President described the efficiency and effectiveness of the campaign and illustrates the health of PPTA structures over political lobbying at this stage.

The swiftness with which the election campaign was put into action after the announcement of the snap election is evidence of the organisational strength of the PPTA at head office, regional and branch levels. The campaign achieved its objective of securing firm, irreversible commitments to the implementation of the Secondary Staffing Report from three of the four main parties, the exception being the National Party.<sup>10</sup>

The lobbying paid off and in July 1985, the Labour Government announced an extra 405 secondary teachers in the Budget.<sup>11</sup> The lesson learnt by the PPTA from this was that effective political lobbying led to success.

### **Pay Rises in a Changing Environment**

The immediate concern in industrial relations of the Labour Government on taking office was its election promises, which included the restoration of compulsory unionism and the removal of the wage freeze imposed by the Muldoon Government (Kelsey,

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<sup>9</sup> *PPTA News*, 5, 12, August 1984, p.2.

<sup>10</sup> *PPTA News*, 5, 12, August 1984, p.2.

<sup>11</sup> *PPTA News*, 6, 9, July 1985.

1995:173). A process for private sector labour reform was in existence before the 1984 election (Walsh, 1989b). Walsh provides an account of the circumstances in which the agenda of the Treasury and the SSC for greater labour market deregulation and flexibility was defeated in favour of the less radical *Labour Relations Act, 1987*. It was evident early on in the term of the Labour Government, however, that the labour market and particularly the state sector, would be targeted for reform.

The key dilemma for the Combined State Unions (CSU) and its affiliates throughout 1984–1987 was how to provide for the continuing wage demands of their members, particularly in the aftermath of the wage/price freeze imposed by the previous Muldoon government. However, the traditional means for providing wage rises in the state sector, the Annual General Adjustment (AGA), came under attack along with the existing state pay fixing legislation itself. The initial pleasure at the prospect of a Labour Government and the lifting of the wage/price freeze gave way to increasing concern at the Labour Government's approaches to the role of the state. Some affiliates of the CSU were very quickly forced into defensive negotiations on behalf of their members as commercial state activities were restructured into state owned enterprises.

The Annual General Adjustment was negotiated between the Labour Government and the CSU for each of the years 1984, 1985, 1986, and 1987. These required, however, an increasing level of compromise by affiliates of the CSU, until by 1987 the award of an AGA was linked to CSU agreement to changes in state pay-fixing.

The 1985/86 salary claim by the PPTA demonstrates features that serve to illustrate the limitations of the *SSCE Act, 1977* in meeting the needs of both parties. For the Government, the ability of the PPTA to use the recruitment and retention criterion successfully over and above the AGA put ever-increasing pressure on the cost of education. For the PPTA, the process of arguing its case with the Education Service Committee<sup>12</sup> before inevitably arguing it again in arbitration had become cumbersome. Its political successes over staffing led to increasing irritation with their role as

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<sup>12</sup> The Education Service Committee was a statutory body set up under the *SSCE Act, 1977*, and carried out negotiations on claims that related to the education service alone. SSC had representation on this committee, but the Department of Education representative usually chaired it.

subsidiary partner to the CSU. Direct contact with government was what it wanted. An overview of events illustrates this.

Following the lodgement of a claim by the PPTA and argued with the ESC in December 1985, agreement on increases in pay and allowances was reached. The response from Government, however, was to say no to this package, communicated by the Director-General of Education.<sup>13</sup> The PPTA sought to have the Cabinet decision postponed and to negotiate directly with Government.<sup>14</sup> This occurred, and agreement with the Minister of Education, Russell Marshall, and the Associate Minister of Finance, David Caygill was reached on 13 February 1986. The PPTA then called off planned membership stop works. However, the Caygill-Marshall agreement failed to be ratified by government.

The increasing influence of Treasury and the SSC, or at least their Ministers, can be seen in Russell Marshall's explanation of how this occurred.

We had a salary round going on. ... The big one was the secondary teachers' deal. It was clear that I was going to have problems getting it through so from memory I think I put somebody in the PPTA up to talking to somebody in the Prime Minister's office to get a couple of Ministers, preferably David Caygill and myself, to be sent away with the authority of the PM and Cabinet to resolve it. ... David Caygill I chose deliberately because he was the most influential Finance Minister. David [Caygill] could persuade me of things that nobody else could and he was reasonable. So David and I went away and we went with whoever was influential from the PPTA [and] we settled it. We got to Cabinet ... and it was opposed by Finance and SSC. By Roger Douglas [Minister of Finance] and Stan Rodger [Minister of State Services]. And David Lange had no real authority. In a position like that I was really quite resentful ... [and it was] very clear that David [Caygill] was distinctly unimpressed by being what he termed dropped in it by the PM. By the time Stan Rodger and Roger Douglas had opposed it, most of the rest of Cabinet is pretty gutless over things like that. We had no support from anybody. We didn't have support from the Chair. We should have had that because he was the person who'd put us there. Treasury advised Roger Douglas to oppose it. SSC, Stan Rodger to oppose it. They both opposed it. ... And eventually it cost the Government a great deal more. Even if you look at it from their point of view it was stupid. I suppose what they were saying symbolically to unions in a sense was we're going to be tough with you. ... I wouldn't say it was Roger Douglas and Stan Rodger. It was Treasury and SSC.<sup>15</sup>

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<sup>13</sup> Letter, DG, Dept. of Ed to Gen Sec, PPTA, 20 February 1986.

<sup>14</sup> *PPTA News*, 7, 3, March 1986, p.10.

<sup>15</sup> Interview, Russell Marshall, 13 February 2002

In response to what they perceived as a lack of good faith by Cabinet, many teachers walked off the job or took other action.<sup>16</sup> Stop work meetings were unilaterally reinstated in many regions. Some branches voted to work to rule or stop involvement in extra-curricular activity. Others paid for local advertising out of contributions from members. Rotorua Girls High School paid for the Branch chairperson and secretary to travel to Wellington to deliver a message of protest to the Prime Minister. The Government was inundated with telegrams and letters of protest. This protest was continued for two weeks. Some parents and Boards of Governors also protested.

The pressure was such that eventually the Minister of State Services agreed to a joint approach for an early hearing of the claim in the Government Service Tribunal.<sup>17</sup> The Prime Minister made it clear that never again would Ministers be allowed to intervene in salary negotiations and risk upsetting state employees if Cabinet rejected the proposals.<sup>18</sup>

The Public Sector Tribunal eventually ruled for pay increases ranging from 20.12 % up to 35%.<sup>19</sup> This hides the fact, however, that teachers, along with other state pay employees had not received a pay rise apart from the 1984 AGA since the end of 1981 and the imposition of the wage/price freeze. The rise also included an AGA of 20.12%. It was the last major case to be settled under the criteria of recruitment and retention in the *SSCE Act*. A sign of the seriousness with which government was viewing state pay-fixing was the fact that a Crown Law Office solicitor conducted the argument in the Tribunal.<sup>20</sup> The SSC and Treasury were also present.<sup>21</sup> This signalled the level of concern of central agencies over the operation of the *SSCE Act*.

One consequence of this salary claim was that the PPTA membership had learnt that industrial action shifted government positions and ensured success in pay negotiations. A more serious consequence was that the PPTA had broken out of the boundaries set by the *SSCE Act, 1977* and was negotiating directly with representatives of government, the very act that any state pay-fixing legislation sought to avoid.

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<sup>16</sup> *PPTA News*, 7, 3, March 1986 p.10.

<sup>17</sup> *PPTA News*, 7, 3, March 1986 p.2.

<sup>18</sup> *PPTA News*, 7, 3, March 1986 p.3.

<sup>19</sup> *PPTA News*, 7, 8, June 1986, p.1.

<sup>20</sup> *PPTA News*, 7, 6, May 1986, p.1.

<sup>21</sup> *PPTA News*, 7, 7, June 1986, p.2.

## The Conditions Initiative

While PPTA regarded the salary settlement as satisfactory, the central problem associated with the *SSCE Act, 1977*, remained. The Act required that matters relating to pay, leave and allowances were the only ones able to be negotiated in the industrial arena.<sup>22</sup> Secondary teachers wanted conditions in their job improved, as well as salary. In terms of retention, large classes, the time required at home for preparation and marking, demanding extra-curricular activities and sterile physical working conditions were all identified as barriers to making teaching a lifetime career. But these could not be negotiated in a salary round.

Another campaign was therefore initiated at the 1986 PPTA Annual Conference. A major political and industrial initiative was proposed that relied on the mobilisation of all members in support of their working conditions. Because of the comprehensiveness of this mobilisation, the explicit connection to the previous staffing and salaries campaigns, and the assumption of total membership participation, it will be described in the union's own terms. A mixture of local and national activism can also be seen.

The objective of the exercise comprises these elements:

- (a) to first discover what members actually want with respect to their conditions of work and service;
- (b) to then translate their "wants" into goals and targets; and third
- (c) to activate the mechanisms available to achieve the goals and targets thus established

The process by which the first two elements will be met will be by an extensive membership consultation. The mechanisms by which the various goals and targets will be realised will either be made by:

- (a) political action (eg, an SSR-type campaign);
- (b) industrial action (eg, a salaries-type campaign); or
- (c) self-help (eg, role of the branch-type activity where members take a collective interest in improving their own immediate working environment, etc).<sup>23</sup>

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<sup>22</sup> *SSCE Act, 1977*, Clause 7.

<sup>23</sup> HR86/27, 17 October 1986.

Membership consultation, conducted by a team of trained “experts” from union activists, was carried out in every branch. It resulted in membership identification of three main areas of concern. These were improved levels of staffing, improved provisions for leave such as sabbaticals, and improvements to physical working conditions. The results of the consultation were reported back to members and the use of them as a focus for membership commitment to positive improvements in their working conditions continued right through to the hearing before the Arbitration Commission in settlement of the 1987/88 salary claim.<sup>24</sup>

The Conditions Initiative thus became a powerful organising tool for the PPTA through into the beginning of the Long Negotiation. It represented a consensus over union activities. A new type of circular for communicating with members was introduced. Yellow CI circulars to members signalled information, activism and high priority within the consensus. They were used right through until the end of the 1989 negotiations. Members, therefore, were kept constantly alert for opportunities to act in support of improvements. This positive agenda became harnessed to the defensive strategy the PPTA was forced to employ through the Long Negotiation.

During the consultation process of the Conditions Initiative, PPTA members noted another area in need of improvement. This was a concern about school management. In contrast to the concerns of economic rationalism and the push for greater managerial prerogative, the PPTA’s concerns were about management and principals having too much power. In the report-back to members, it was noted that members had said:

- Schools are too hierarchical. Teachers are not consulted over even routine matters pertaining to the school.
- Communication is poor and “downward”. Resentment builds if allocation of classes and time is perceived to be unfair.
- Too many poorly run meetings are held where little is achieved.
- The principal has too much power. This is detrimental to both the principal and the rest of the staff.<sup>25</sup>

This was another area in which the SSC and PPTA found themselves with diametrically opposed views. For the SSC, managerial prerogative was fundamental to its position and needed little definition. The PPTA was moving in the opposite direction to more

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<sup>24</sup> CI87/1, HO to branches, 17 February 1987.

<sup>25</sup> CI87/1, HO to branches, 17 February 1987.

collegial management. This was also important in the negotiations that were being carried out throughout 1984–1987 on extensions to the classification system.

### **The Classification Review – the PPTA’s Answer to Managerial Accountability**

Throughout the period 1984–1987 there was one further priority for the PPTA. It had taken the initiative on improving the classification system and was in negotiations with the Department of Education over changes, although not in an industrial forum. This review is important for a number of reasons:

- The inclusion of a commitment to implement the provisions of the review was a part of the settlement of the 1987/88 pay round.
- The PPTA made the question of inclusion of both disciplinary and competence components of existing regulations one of highest priority throughout the codification process into an Award, required by the *State Sector Act, 1988*.
- The final two months of negotiation in 1989 were entirely about the means by which existing provisions would be written into the Award. Negotiation of the pay component took only a few hours at the end of the final 24-hour marathon.

A full discussion of the history leading into the PPTA’s commitment to the system of discipline and competence was given in Chapter 5. In many ways, the PPTA had been the leader in developing procedures designed to improve the quality of secondary teachers in the profession. Rightly or wrongly, it claimed that to a large degree it had been instrumental in holding its own members accountable in terms of competence and discipline. This section will accent the process by which discipline and competence became woven into the industrial project of the PPTA.

The PPTA initiated an internal review of the classification system<sup>26</sup> in 1984 and proceeded to develop separate criteria for those teachers in management positions and those positions that required significant middle-management skills as well as teaching skills. The position of head of a subject department is an example of this type of position. The involvement of the whole membership in this review was facilitated as in the Conditions Initiative. After extensive development by the national Executive and consultation with the various Advisory Committees, the proposed revision of the

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<sup>26</sup> The classification system is described on pp 97-98.



classification system was issued to members in a Branch Circular.<sup>27</sup> Branches were asked to discuss the proposals and forward comments to the national office.

After approval by members, the PPTA proceeded to negotiate the classification review with the Department of Education. At the first meeting in August 1986, it was reported that the Department was not in opposition to the review.<sup>28</sup> It is apparent from the report, however, that the Secondary School Boards Association wanted greater powers of dismissal and more autonomy over the grounds for dismissal. After this initial meeting, it became apparent that the Department was having second thoughts and had prepared a paper containing criteria of its own. Whether this was in response to pressure from the SSBA or the SSC is not clear. From that point on the negotiations became much tougher. A difference in emphasis and approach to the running of schools between the two sets of criteria is apparent. A collegial approach can be discerned from those of the PPTA whereas the Department placed much more emphasis on job descriptions. The KWNS partnership was under strain. The SSBA's approach to management was having greater influence with the Department and, with the ideas of school-based management, some principals were approaching management differently also.

There was one last victory for the PPTA within the partnership, however, and the review was finally agreed between the Department of Education, the SSBA, and the PPTA in June 1987,<sup>29</sup> substantially in the form proposed by PPTA, although there are reports of ongoing debates about detail after that time.<sup>30</sup>

The PPTA, believing that it had successfully concluded the negotiations over the revised Classification System, became increasingly frustrated over lack of implementation. In frustration, the General Secretary wrote to the Director General expressing annoyance at the delay in implementation.<sup>31</sup> It became clear that the Department was preparing to shorten the time of advice and guidance to teachers whose

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<sup>27</sup> H.O.85/57, 8 November 1985.

<sup>28</sup> H.X.86/274, 8 August 1986.

<sup>29</sup> H.X.87/166, 15 June 1987.

<sup>30</sup> Letter Advisory Officer to Director General, 31 July 1987, File 12/3/3.

<sup>31</sup> Letter Gen Sec to DG, 13 October, File 12/3/3.

performance was under review.<sup>32</sup> The partnership was clearly breaking down over the issue of managerial prerogative.

By April 1988 the Executive was so frustrated that it was prepared to develop a unilateral declaration of accountability for which teachers would act unilaterally in implementing the review. By this stage, it had become imperative for it that its system of accountability should prevail in the face of other accountability suggestions put forward in the 1987 wage negotiations and being suggested through the Picot Report. The PPTA was to negotiate the Classification Review again with the SSC at conclusion of the 1987 negotiations. That settlement was never honoured.

The matter was raised with the Department of Education on 10 November 1988, and this time the Department was more straightforward about the incompatibility of the proposals with the new managerialist environment. The PPTA was informed that the implementation of the Review was not straightforward because it was inconsistent with government policy aims.<sup>33</sup> The PPTA then explored the idea of a compliance order for the settlement of the 1987 pay round. However, legal advice was that the 1987 pay round and arbitration in 1988 for secondary teachers had been concluded outside the provisions of the *SSCE Act, 1977*, and that an application for a compliance order was therefore unlikely to be successful. By the 1989 negotiations with the SSC, then, the Classification Review for the PPTA bore the weight of five years' commitment by its executive and membership and what it perceived as bad faith in not implementing it. The PPTA was not going to give up that commitment without a struggle.

### **Managerial Prerogative, Principals and the PPTA**

An ongoing tension within the latter part of the KWNS education settlement had arisen between those who espoused standards and excellence as opposed to those who focused on equity of outcomes (Renwick, 1986a). This was discussed in Chapter 4. The principals within secondary education, who had been increasingly concerned about the accent on sex and race inequality at the expense of standards, as they perceived it, welcomed the managerialist ideas of the reforms. This brought about a split among

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<sup>32</sup> Letter Director General to General Secretary, PPTA, 21 October, File 12/3/3

<sup>33</sup> H.X.88/387, 11 November 1988.

principals who remained loyal to the PPTA and those who welcomed the greater managerial autonomy of the reforms. In turn, the implication for schools was that the PPTA no longer had a monopoly on educational ideas and that a group of principals was increasingly influential outside the partnership of the Department of Education and the PPTA.

The tension between principals and the rest of the membership of the PPTA was a long-standing one. Principals had been influential in the PPTA from its inception. The Presidents, national Executive members, and Advisory Committees and Taskforces contained a high proportion of activist principals.<sup>34</sup> As a result of the social movements of the late 1960s and the related rebellion against authority, this influence had waned. By the time of a 1985 Annual Conference Paper, *The role and status of principals in PPTA*, there had been no principals on the national Executive for two years. A Principals' Advisory Committee existed, but its recommendations were considered by the Executive alongside those from other advisory committees. Nevertheless, it was acknowledged by the PPTA that the legal powers and responsibilities of the principal in relation to Boards of Governors<sup>35</sup> and the community, combined with their role of educational leadership, set principals aside from other teachers.<sup>36</sup> This separation created strains, particularly during times of industrial action. The Principals' Advisory Committee and an annual Principals' Conference were structures designed to address these.<sup>37</sup>

It was this tension that the ideas of managerialism influenced. The enhanced role for school principals as chief executives of their schools recognised and reinforced a role that was a reality even before the reforms. It is perhaps therefore surprising, rather than otherwise, that many principals remained loyal to the PPTA through the implementation of the reforms.

An article in the magazine *Metro* in early 1987 illustrates the change. The article<sup>38</sup> presented a view of education at variance with the prevailing emphasis on equity. It

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<sup>34</sup> PPTA Annual Conference Paper, 1985, *The role and status of principals in PPTA*.

<sup>35</sup> Boards of Governors were the governance body for secondary schools before *Tomorrow's Schools*.

<sup>36</sup> PPTA Annual Conference Paper, 1985, *The role and status of principals in PPTA*.

<sup>37</sup> PPTA Annual Conference Paper, 1985, *The role and status of principals in PPTA*.

<sup>38</sup> Carroll du Chateau, 'The lost generation' in *Metro*, April, 1987.

challenged the existing hegemony through demonising feminists, lesbians and gays as well as labelling post-World War II school education in New Zealand as social engineering. The PPTA was criticised for exemplifying this approach. Interestingly, *liberal* is used as a term of abuse. Social engineering in education is juxtaposed with the concern of some secondary school principals for standards. The accent is on the opposition of these principals to Russell Marshall's Curriculum Review and their concern for emphasis on basic subjects such as English, Mathematics and Science.

The article signals a rift between secondary school principals and other teachers which became important through the Long Negotiation. Russell Jackson, the then principal of Waitakere College, is used in the article to illustrate a clear challenge to the PPTA (Du Chateau, 1987:55).

Russell Jackson heads the Dinosaurs Club, a group of concerned Auckland principals who have organised themselves into a fighting force to make sure that their collective opinion is heard from now on when it comes to curriculum change, the abolition of public exams and other so-called reforms.

"Where is the voice of secondary school principals?" asks Jackson. "There isn't one because a national society of principals doesn't exist."

He goes on to explain how there has been something of an anti-principal faction within the PPTA which has meant that the voice of conservative principals like himself, just hasn't been heard.

The implication behind what Jackson says is clear. Certainly until this year the PPTA would only elect liberal principals to positions of power and because there was no national principals' association, they could not fight back. "Such an association will ensure that principals assist in decision-making regarding educational policy. I think that they're the group best qualified to make a contribution. Not only are we the most experienced people, we're also very close to teachers, parents, pupils and the community." says Jackson.

This dissatisfaction by principals led to the formation of the Secondary Principals' Association of New Zealand (SPANZ) following the 1987 PPTA Principals' Conference. A close association was formed by some members with the Education Forum and thus to the Business Roundtable.

Membership of SPANZ built rapidly. In less than five months there was a membership of 140 principals.<sup>39</sup> Some of those joined while retaining membership of PPTA. SPANZ became influential and was given credence by meeting with the Minister of Education separately from the PPTA.<sup>40</sup> The principal members responded positively to the managerialist ideas of School Based Management, discussed in Chapter 7.<sup>41</sup>

The clear message sent by the aims of SPANZ was that there was now another player in education. The basic aims of SPANZ overlapped those of the PPTA:<sup>42</sup>

1. To promote the development of the principals' skills, qualifications and leadership and to improve opportunities for professional and personal development.
2. To ensure that the collective views and opinions of principals, as the pivotal person in each school, are heard nationally on all matters of professional and educational significance.
3. To promote the development and welfare of the teaching profession and of the students in our care, and thus to enhance education as a profession.

By the end of 1987, the PPTA was worried at the split in its ranks as it moved into the negotiations of the 1987/88 pay round. The Chairperson of the PPTA Principals' Advisory Committee was included in the negotiating team and invited to be present at national Executive meetings. Early responses of the PPTA to the existence of SPANZ contained two underlying concerns. One was the industrial threat if SPANZ should seek to bargain on behalf of principals, but the other was also an inability to contemplate the total education enterprise not controlled by the PPTA as the sole voice of teachers. A proposed draft of a letter to principals regarding the existence of SPANZ, while not an official letter, demonstrates the internal conflict and attempts to relegate SPANZ to the status of subject association, organisations that the PPTA had been able to control in the past.

NZPPTA as the recognized service organisation of state secondary teachers has not quarrelled with, and indeed welcomes, the existence of various subject associations for the purpose of professional growth and development. ... Therefore, PPTA applauds the first and the third aims of SPANZ ... The second aim, however, aims to seek a separate voice for principals ... Principals have their own advisory committee with PPTA and vote for an elected area

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<sup>39</sup> SPANZ Newsletter, 4, February 1988.

<sup>40</sup> SPANZ Newsletter, 4, February 1988.

<sup>41</sup> SPANZ Newsletter, 4, February 1988.

<sup>42</sup> Letter, SPANZ Interim President to Secondary Principals, 2 February 1988. Attached to HX 88/53, 26 February 1988.

representative. The PAC allows the principals' voice to be heard within the recognised service organisation.<sup>43</sup>

The effect of SPANZ on the 1989 negotiations and the dispute about fixed-term contracts for principals will be discussed in Chapter 10.

### **Response to the Reform of State Pay-fixing**

It was extraordinary that the PPTA was achieving successes in staffing, salary and the Classification review through a period in which the Labour Government was progressively establishing that it meant to reform all structures of the state in order to make efficiency gains and to impose a different style of accountability. With Russell Marshall as Minister of Education, a staffing campaign had met with success. The 1985/86 pay round had resulted in a significant pay rise for members. Pressure on protecting pay and conditions for members under the onslaught of government changes in the state was therefore slower in building towards a real threat for the PPTA, than it was for other state unions.

Throughout the period, the PPTA's formal response to proposals for the reform of the rules for state pay-fixing and projected restructuring of social services, was largely through its affiliation to the Combined State Unions (CSU). Any discussions or negotiations with the SSC by state unions as a whole were traditionally channelled through the CSU executive. The Public Service Association (PSA) always chaired the CSU and, at the time in question, the Post Office Union (POU) was also influential, holding the position of Secretary. While education sector unions represented a sizeable proportion of affiliated unions (Rodger, 1986:61) the number of different unions (at least five) covering the education sector membership meant that their influence was less than may otherwise have been the case.

As the Labour Government's programme of reform accelerated through 1984–87, the impacts of these on each of the CSU affiliates began to differ. This thesis details the process of change for one of these unions. The process of change for other affiliates had a different trajectory. State sector restructuring produced different concerns for

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<sup>43</sup> HX88/53, President to Executive, 26 February 1988.

each, involving not only concerns for members' pay and conditions but also their specific concerns about proposals to change the state provision of services within the KWNS compromise. Restructuring was also experienced in different sequences by each union. Commercialisation, corporatisation, de-regulation and eventual privatisation had a radical impact on unions such as the National Union of Railwaymen and Post Office Union in terms of protecting jobs as well as pay and conditions of their members. The process commenced early in the first term of the Labour Government (Walsh, 1988). Proposed changes to state sector structures with an emphasis on managerial efficiency carried with them implications for PSA members in terms of job protection and their immediate working conditions. However, their professional concern with the consequences of New Public Management proposals such as the increased power of CEOs and the separation of policy and delivery were also a focus for them. Pressures to restructure into separate government departments occurred at the same time as pressures for changes to state pay-fixing (Walsh, 1991b). The substantial part of the restructuring of health and education, however, did not occur until the second term of the Labour Government and therefore the *State Sector Act, 1988* was experienced as a preliminary to further restructuring.

The participation of the CSU in the review of state pay fixing and the officials' subsequent withdrawal was detailed in Chapter 6. PPTA members were active in the CSU protest activity that followed the publication of the review document (Rodger, 1986) and in the negative CSU response to the State Sector Bill that followed in 1988. Walsh (1991b) has provided an account of the results of CSU activity over the State Sector Bill. The participation of the PPTA in this activity will be described briefly as it demonstrates the increasing ability to mobilise members over broader political issues through the structures designed to be effective over pay and conditions.

Throughout its successes of 1984–87, the PPTA had not been in ignorance of the wider political environment, but before the publication of the Buff Paper (Rodger, 1986) specific effects of the changing environment on industrial relations and education were yet to be felt by the entire membership.

A circular from September 1986 demonstrates that PPTA already had a sound analysis of not only what the Buff Paper might contain, but of the coherence of the new agenda

and its widespread support in the Government, Treasury, and the SSC. A paper discussing the weaknesses of the pay fixing system and proposing an alternative structure for state pay-fixing by a Treasury official (Chapman, 1986) was attached to the circular. The Assistant General Secretary put the paper in the perspective of accelerating initiatives towards change in state pay fixing legislation and told the Executive:<sup>44</sup>

... the material is of interest and concern because:

- a) It reflects exactly the line David Swallow (SSC) took in evidence in opposition to our Tribunal claim.
- b) It also reflects the line David Smythe (Treasury) took in the same hearing.
- c) It reflects the attitude expressed by SSC, Treasury and the Government – and to a large extent now adopted – for the reform of the pay fixing rules to apply to the new State Owned Enterprises.
- d) It also reflects the line taken by the same three parties to the reform of the legislation for the rest of us. (The results of that “consultation” should be available shortly.)
- e) It indicates the line the official parties and the government will take to negotiations in the State sector this round.
- f) It is this attitude, coupled with developments in the private sector, which has given the Prime Minister courage to talk about a nil round for state employees.

The publication of the Buff Paper (Rodger, 1986) confirmed that teachers were not to be immune from the proposals emanating from the Government and the central agencies. The President identified the serious nature of the Buff Paper proposals in *PPTA News*. Three areas were singled out as being of major concern to teachers. The first was the idea of giving employers the ability to use pay to reward performance and to offer varying payments in order to recruit and retain teachers. This was anathema to the PPTA. The reasons for the adamant opposition will be expanded on in the next section. Given the success of the PPTA in using arbitration to gain substantial pay rises, its proposed removal was also of concern. The President predicted increased industrial action by teachers as a result. The proposal to exclude management positions from union coverage was also a threat.<sup>45</sup>

The structures and processes set up in branches for the Conditions Initiative were mobilised in opposition to the Buff Paper as well. Branches were asked to appoint an

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<sup>44</sup> HI86/29, Asst Gen Sec to Executive, 26 September 1986.

<sup>45</sup> *PPTA News*, 7, 17, December 1986.



active member to monitor information sent out in the Conditions Initiative circulars and to ensure all branch members were aware of and acting on suggestions for lobbying of, and letter writing to, the Government.<sup>46</sup> A state pay-fixing action kit for all branches contained comprehensive analysis of the Buff Paper (Rodger, 1986), the potential effect of the proposed changes on teachers, and form letters of protest for sending to MPs. The kit also contained form resolutions for Branch and Regional meetings.<sup>47</sup>

This pattern of information and membership activity followed throughout the Long Negotiation. Every time the Government or the SSC pursued new avenues for implementing the reform agenda, the PPTA would issue another kit for branches, and would set in motion regional meetings at which standard resolutions would be passed. Every assistance was provided to members and branches that particularly wanted to become involved in political lobbying and other activity in opposition to the agenda.

This formed the beginning of the comprehensive approach of the PPTA to mobilising membership. Information was not confined to surface matters only. The reasons behind Government moves were explained and related to the deepest possible theoretical analysis of state changes. At the same time, the positive agenda of the PPTA for improving conditions was never lost sight of. Thus, members were never simply engaged in defense of education against inroads of the new policy agenda, they were always fighting for improvements in their conditions as well. This kept on side a large proportion of the membership which otherwise might not have been prepared to act so readily in a defensive strategy alone.

### **The 7% “Deal”**

By early April 1987, the CSU was under pressure from the determination with which the Government was proceeding with changes to state pay-fixing legislation. It reluctantly agreed to enter negotiations on the review as laid out in the Buff Paper.

The CSU do not believe that the bulk of the proposed changes are necessary, but since it is clear that the Government will proceed with change regardless, it is in the best interests of state employees for the CSU to try to negotiate the changes, not to have them imposed.<sup>48</sup>

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<sup>46</sup> CI87/6, HO to branches, 24 March 1987.

<sup>47</sup> CI87/7, HO to branches, 24 March 1987.

<sup>48</sup> CSU Circular CC1987/5, Secretary to Affiliates, 26 January 1987.

These negotiations flowed into negotiations on the AGA and agreement was reached in April 1987 on a 7% AGA in return for the CSU agreeing not to oppose some interim changes to state pay-fixing legislation and to withdraw all claims for the 1986/87 pay round. The interim amendments to state pay fixing legislation to take effect before the 1987/88 wage round included provisions for the possibility of ranges of rates for positions, within which the rate for individuals could vary according to specific recruitment and retention considerations, performance, skill, experience, and locality.<sup>49</sup>

The effect of this agreement had long-term consequences for the PPTA. One issue was the introduction of the potential for ranges of rates itself, and the other the process by which it occurred. The reasons for the PPTA's opposition to pay linked to performance and recruitment and retention were given in Chapter 7. The difference between the PPTA and the approach taken in the core state sector could well have been the result of the isolation of teachers in individual schools without properly constituted personnel structures in which assessments of individuals could be made. Many of the arguments also related to the relative autonomy of the classroom.

The PPTA also took exception to the process used by the CSU in arriving at the 7% "deal". The difference between the PPTA and the other affiliates to the CSU is significant at this time. By this stage, the Conditions Initiative had led to a high level of expectation on the part of PPTA members that they would be active and involved in all matters relating to their pay and conditions. While changes to state pay fixing would affect all affiliates, the PPTA members related the proposals to their own occupation. Teachers saw them in the context of how they would work in schools. While other state unions were busy assessing which compromises to make, especially those who had been involved in State Owned Enterprises, the PPTA, flushed with its success of the last few years, was not yet considering compromise.<sup>50</sup>

The PPTA Executive exerted a high level of control over its negotiator who was part of the CSU team. He was placed in an impossible situation for a negotiator with instructions from the PPTA executive that he was not to accept any modification to the

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<sup>49</sup> CSU Circular CSU/SAL/1, Secretary to Executive, 10 April 1987

<sup>50</sup> PPTA submission to the State Enterprises Restructuring Bill, 5 May 1987.

position of total opposition to proposals for change to state pay fixing. In the event, the collective will of the CSU prevailed. The PPTA Executive was livid. This experience convinced the Executive that PPTA negotiators in future should not be given authority to speak on behalf of the Executive. This attitude hampered progress in the 1989 negotiations, as the advocate could not even meet with the opposite number without being accompanied by an Executive “minder”. The experience of the 7% “deal” was also directly responsible for the PPTA avoiding informal talks with the SSC prior to the 1989 negotiations. With the complexity of issues that needed to be traversed during the Long Negotiation, this lack of trust on the part of the PPTA in its own advocates and the avoidance of informal talks combined to perplex the SSC advocates on more than one occasion.

## **Conclusion**

It is clear from the discussion above that the seeds of the difficulties experienced by both parties in the Long Negotiation of 1987–1989 were sown in the period 1984–1987. The proposals that emanated from the SSC via its claims were radically different from what had gone before. Changes to state pay-fixing legislation were followed by education restructuring, the final shape of which had not been decided at the time of the negotiations. This led to greater and greater complexity. However, the positions the PPTA adopted and the confidence with which it held them were also shaped by the period 1984–1987.

The PPTA was busy during the three years attempting to progress its programme of improvements to pay and conditions for its members. These included political lobbying over staffing levels, and an industrial campaign leading to a large average increase in salary. This was followed by membership mobilization designed to achieve further improvements in staffing and other conditions. Also over the same period, a review of the classification system was initiated and membership consensus sought over extending accountability measures to middle and senior managers. Conflict between the PPTA and the Combined State Unions (CSU) arose during negotiations for the Annual General Adjustment (AGA) in 1987 and signalled the separate path the PPTA was to take compared with other state unions during the implementation of state sector reforms.

It must be noted that, throughout this period, the Minister of Education, Russell Marshall, was sympathetic to many of the goals of the PPTA and also had an agenda of his own to progress. To a certain extent, then, the PPTA could hitch its wagon to the star. Even though other tensions increasingly emerged over the period, the education partnership of the KWNS was not quite at an end.

The final link in the chain of influences on the Long Negotiation was over salary. The PPTA consulted its membership, as had now become traditional, over the claim for the 1987/88 pay round. The membership responded with a reply that enabled the organisation to call on membership commitment on points of principle throughout the next two years. The low priority given to a pay increase was rare for industrial negotiations.

Almost all branches ranked an adjustment to salary rates as a low, if not the lowest priority. Many reinforced the fact that full implementation of SSR remains the top priority for PPTA ... After this, full reimbursement of expenses, long-service leave and study leave were favourites.<sup>51</sup>

The PPTA went into the election of 1987 as it had done in 1984, lobbying for improvements to staffing.

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<sup>51</sup> HX87/252, 15 July 1987.

## Chapter 9

### The Long Negotiation – The First Year

#### Introduction

The Labour Government was re-elected in August 1987 with a substantially increased majority. This demonstrated that they had an unusual degree of public support for their policies, as they were only the second New Zealand government to be returned with an increased majority. In the Cabinet allocation that followed, the Prime Minister, David Lange, assumed the portfolio of Education. This established a key significance for education in the second term of the Labour Government (Grace, 1990a). Within six months of the election the unity of the Government over economic and social change that had existed through the period of 1984–87 had disintegrated (Jesson, 1989). However, by this time, government initiatives in the first term had developed their own momentum and were to influence, alongside Lange's attempts to reclaim the social agenda, the shape of labour market, state sector, and health and education reforms (Jesson, 1989).

A programme of privatisation of previously corporatised state activities commenced after the election. This programme left little doubt that reform of the state could lead to state services run on market principles and eventual privatisation. It was also evident that managerialist principles were being implemented in all personnel reforms (Walsh, 1990).

The years 1988 and 1989 brought institutional change to the education sector. For education, 1984–87 had contained portents of change, particularly from the ideas of Treasury. Observers from education had noted the results of those ideas in practice through the formation of state owned enterprises, but it was not until the announcement of the Picot Taskforce just prior to the election of 1987 that educational change was certain. The way it would change was not known until the Picot Taskforce had reported and government policy had been published in *Tomorrow's Schools* in August 1988.

As we have seen, Boyer (1990) suggests that institutional forms act in three ways. First, through laws, rules, and regulations. Second, through reaching a compromise, after negotiations, and third, through the existence of a common value system or at least common representations of reality.

Institutional *change* in the schools part of the education sector was achieved through first, the *State Sector Act, 1988*. This was followed by a series of formal industrial negotiations that concluded with the passing of the *Education Amendment Act, 1989*. Whether or not these two pieces of legislation and negotiations resulted in a change of values is the subject of the next two chapters. It is self-evident that change and adaptation were also occurring through informal negotiations in all parts of the educational world, but it is the formal industrial negotiations that are being used here to find evidence for whether or not the values held by teachers within the KWNS education settlement changed during this period. This is the purpose of the next two chapters. The investigation is carried out by examining in detail the relevant approaches and strategic positioning of both parties. It involves trying to detect shifts not only in the PPTA's negotiating position, but also in its approach to education. In tracing the process, what is being kept in mind is the question of whether a shift in values took place in teachers themselves and to what extent the old discourse remained. Once the new discourse had been introduced and was interacted with the old, it was probably inevitable that some shift in perspective would occur on the part of both groups of main players. This dialectic is explored here.

The series of formal negotiations have been called the Long Negotiation because effectively the SSC and the PPTA were in continual negotiation for two years. The first negotiating meeting in the 1987/88 pay round was held on 8 October 1987 under the *State Services Conditions of Employment Act, 1977*. By the time that round concluded with Arbitration Commission facilitation on 2 May 1988, the *State Sector Act* was law and preparation for negotiation with the SSC over codification was under way. Codification negotiations lasted until December 1988 when a mediator ruled on matters still in dispute. The SSC at first indicated that it would appeal the decision, but later withdrew from this course of action. The new *Secondary Teachers' Award* was registered only just in time for the first negotiating meeting of the 1988/89 Award round on 7 February 1989. Although that Award round was

finally settled on 21 June 1989, legislation regarding some conditions within the Award was not passed until September 1989. There were effectively, then, three sets of negotiations that made up the Long Negotiation.

The Long Negotiation can be further categorised by considering the 1987/88 negotiations and those of codification as repositioning negotiations by both sides. Because the shape of the education reforms was not yet clear, the SSC tabled a set of claims in the 1987/88 negotiations that were in effect a preparatory trial of how the personnel regime in schools might work. The codification negotiations that followed were required in order to achieve an award document for future negotiations over pay and conditions. Both parties were attempting to position themselves well during codification for restructuring proposals that did not yet have a shape. This chapter considers the repositioning negotiations of 1987/88 and codification only.

The negotiations of 1989 can be interpreted as negotiations over the values that would prevail in the new regime. Essentially they were a contest between the managerialist values of the SSC and the professional values of the PPTA as internalised during the period of the KWNS. This categorisation as values negotiations will be justified in the next chapter along with an assessment as to whether values did indeed change.

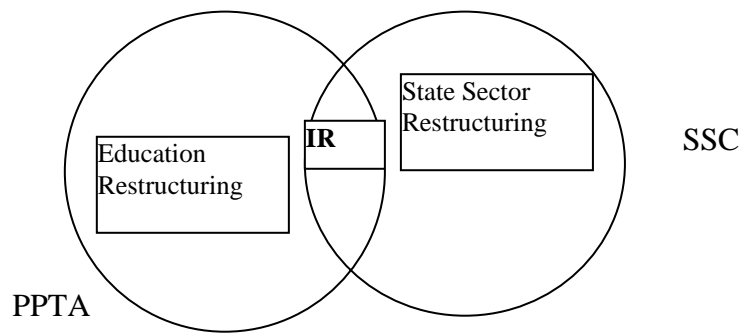
The SSC was faced with difficulties in the education sector that were not present in other sectors. The principles of New Public Management were to be introduced to the core state sector via the *State Sector Act, 1988*. For the schools sector, there were a large number of institutions, some of reasonable size in the secondary sector but also a large number of small primary schools. Even if a number of Education Boards had been retained to mediate between government and schools, it was not immediately evident how the principles of governance and management, contractual accountability as in agency theory, and greater managerial autonomy would operate in schools. The level of financial control each school would have was also not clear at that time. A trial of a model was therefore tabled by the SSC in the 1987/88 pay round. It focused on new structures, new accountabilities, with a lower level of centralised government interference.

A high priority for the SSC was to ensure a low pay increase also. The 1985/86 pay round and the ongoing AGA had resulted in pay settlements that the Government found unacceptably high, particularly for secondary teachers. In the framework of the SSC, the PPTA was a good example of provider capture by employees of government. Within a NPM framework, this, coupled with the administrative capture of the Department of Education, had resulted in an alliance between the two which was not in the Government's interests. As far as education policy was concerned, the principle of the separation of policy and implementation contained within NPM meant that policy was reserved for a Ministry and that teachers were implementers, not policy makers. The SSC therefore approached the industrial forum of the Long Negotiation from within a perspective firmly based on state sector restructuring principles to be achieved through the strategic application of industrial relations principles.

This may seem a strange emphasis to make when the Long Negotiation obviously took place in an industrial relations setting. However, as the argument has been portrayed so far, the PPTA moved into the Long Negotiation from a framework forged within a partnership with government, or at least with the Department of Education, within the KWNS educational settlement. The PPTA firmly believed that secondary education in its widest sense was its concern. Its successes of 1984–1987 had not only reinforced this idea but had demonstrated – to itself at least – that teachers were the leaders of the partnership within secondary education. The positions the PPTA adopted through the Long Negotiation were still an inextricable interweave of concerns for education and members' pay and conditions, conflated within their concept of professionalism. The PPTA therefore approached the Long Negotiation from within a perspective of educational concerns about the prospective restructurings within the strategic environment of industrial relations.

It can be seen, therefore, that from the outset there was a dissonance between the approaches of the two groups that led to considerable misunderstanding and bad feeling. Figure 9 attempts to portray this dissonance figuratively. As can be seen, there were large areas of concern for each in which the other was not participating.





**Figure 9: Scope of Concerns for the PPTA and the SSC**

As the account proceeds, it is pertinent to ask why the PPTA did not confine itself to industrial activity within an industrial relations environment. After all, had it done so, it could potentially have been more effective with regard to the pay and conditions of its members. It is hoped that the beginning of an answer has been taking shape and will be confirmed through the remainder of the account.

### **The 1987/88 Salary Round**

The SSC approached the 1987/88 pay round with a determination to run negotiations in the state sector differently. The State Services Co-ordinating Committee (SSCC), defined by the *SSCE Act*, wrote to the CSU on 14 October 1987 telling it how the state round for 1987/88 would be run.<sup>1</sup> The letter indicated that it was not business as usual. Claims from specific occupational groups would be dealt with before a general adjustment for all sectors was calculated. In other words, those with claims would have to bargain for a pay increase without expectation that there would be one. Only after all occupational claims had been settled and taken into account would a general AGA be determined. In the words of the SSCC,

This is necessary to avoid the common misunderstanding that everyone is automatically entitled to the annual general adjustment and that negotiations on claims and reviews are about how much more will be given on top of that.<sup>2</sup>

This decision put into practice that which had already been indicated in the Buff Paper, a determination to abolish the AGA and to introduce separate wage negotiations to different sectors of the state

<sup>1</sup> Letter SSCC to CSU, 14 October 1987. In HX87/417, 27 October 1987.

<sup>2</sup> Letter SSCC to CSU, 14 October 1987. In HX87/417, 27 October 1987.

The PPTA accordingly lodged its claim and entered negotiations in October 1987 still under the provisions of the amended *State Services Conditions of Employment Act, 1977* but with the expectation that it was likely to be a round with a difference. As far as was possible, the union had begun to prepare for changes that were likely to take place through education restructuring as well as for changes in the industrial environment. The Picot Committee was deliberating at this time but was not due to report until 1988. The PPTA had been developing an analysis of the likely direction education reforms would take. The fear of commercialisation and possible privatisation had been acknowledged throughout the election campaign by attempting to rally public support around the importance of a state education system.<sup>3</sup>

The Conditions Initiative had prepared members for another political and industrial opportunity to improve their conditions in the pay negotiations. The commitment of the membership to fight managerial proposals was expressed at the Annual Conference of 1987, first through opposition to the use of salary scales to address recruitment and retention problems.

[The Conference] totally rejected the concept of subject related differential salary scales and instructed the Executive that under no circumstances should the association succumb to pressure to accept such differential scales.<sup>4</sup>

The PPTA entered negotiations, then, with the expectation that it would again be successful in using the recruitment and retention criteria of the *SSCE Act, 1977* to achieve pay increases for all teachers, and that the membership were prepared to fight against any suggestions for ranges of rates and pay for particular subjects or performance.

At the negotiating table, however, the SSC immediately took the initiative. The claim was presented before the State Services Co-ordinating Committee. The chair of the SSCC was a nominee of the State Services Commission. This represented a change from the Education Service Committee of earlier years where the Department of Education chaired the committee.<sup>5</sup> This change signalled that the SSC was taking

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<sup>3</sup> *PPTA News*, Election Campaign Special, July 1987.

<sup>4</sup> *PPTA News*, 8, 11, September 1987, p.5.

<sup>5</sup> *PPTA News*, 8, 13, November 1987, p.1.

control and this enabled the managerial agenda to take precedence over education concerns. A consequence was that the educational partnership was further under threat. Terry O'Brien, chief advocate for Personnel Division in 1987 places that shift in terms of tensions that been building for some time over lack of control by the central agencies and over fiscal risks for government (O'Brien, 1990:57).

In the first part of the 1980s the Education Service Committee, which represented the Director General of Education in salary negotiations, was reaching the limits of its usefulness and ability to bargain. Firstly, the tension created by the separate requirements placed on the Department in respect to industrial relations and policy advice frustrated any rigorous examination of the relative benefits of various inputs into schools. Secondly the fiscal impact of settlements on teachers salaries were so significant as to invariably require direct Ministerial input into the negotiations.

The SSCC's response to the PPTA's claim established the trial of the application of state sector principles to personnel arrangements in schools.<sup>6</sup> A devolved, flexible pay system was proposed. While the *State Sector Bill* was two months away and the Picot Report was not published until April, 1988, the approach was set against both the certainty of the Government's approach to pay-fixing and the principles of state sector restructuring and the uncertainty of the exact form of education restructuring. The SSCC communicated this to the PPTA.

The committee's view is that its proposals are consistent with:

- a) a number of different forms of administrative arrangements;
- b) the Government's pay-fixing objectives; and
- c) trends in management practices in the State services.<sup>7</sup>

The particulars of the package proposed by the SSCC contained nothing surprising in terms of the principles of New Public Management and personnel structures being suggested elsewhere in the public service. It was the precise form they would take in the education sector that was being trialled. In this trial package, it was the principals who would have greatly enhanced managerial powers including the power to place individual teachers within a salary range. Schools would have control over a devolved salary budget. Principals would be treated like Chief Executive Officers with enhanced salary and fixed-term contracts of employment. There would be

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<sup>6</sup> Letter SSCC to PPTA, 21 October 1987 in HX87/418, 27 October 1987.

<sup>7</sup> Letter SSCC to PPTA, 21 October 1987 in HX87/418, 27 October, 1987.

provision for performance bonuses for senior staff. The specific pay structure proposed was:

- a) ranges of rates for teachers and senior teachers;
- b) placement of individual teachers within the range by the principal, taking into account relevant factors including subject and performance;
- c) each school to be given an annual salary budget out of which to pay all teaching staff;
- d) each school's salary budget to be determined by a staffing formula which takes into account roll size, special needs, and location. The budget to be reviewable annually;
- e) senior staff to be on a fixed salary rate, but with provision for performance bonuses;
- f) the principal to receive a significantly enhanced salary, but with appointment on the basis of fixed term, renewable contracts.<sup>8</sup>

In an interview in 1997, the Assistant Commissioner Human Resources at the SSC during 1987–1989, portrays the complex task for the SSC in achieving coherent reform through a series of negotiations, legislation, and taskforces. He also establishes the critical role the SSC played in determining the precise form of the personnel provisions in the education sector, outside the taskforce process.

... some things were driven by the *State Sector Act* and some by the *Education Act* under *Tomorrow's Schools* and certainly when we did the *State Sector Act* we basically did that in advance of *Tomorrow's Schools* and had to make some judgements about the direction of change in the education sector and that was partly the background to the trial run as you describe it. When *Tomorrow's Schools* was basically published they hadn't really covered off the personnel issues to any great degree at all. And when the original Cabinet Committee papers went through I think we basically came in at that point and essentially wrote into the Cabinet Committee and Cabinet papers some personnel provisions, the most fundamental of which was the ability of the school to make its own appointments of staff.. You had the *State Sector Act* going there, *Tomorrow's Schools* coming in like that. The *State Sector Act* mainly about personnel and industrial relations provisions but also a bit about administrative reform. The *Education Act* mainly about administrative reform and it was really a matter of trying to line the two up and say well, look, this is the approach to reform in the wider state. We should try and replicate that in education and that was really our intervention that did that.<sup>9</sup>

The package proposal in the salary round confirmed the PPTA's worst fears about the intentions of state sector restructuring for education. It saw the SSCC proposals

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<sup>8</sup>Letter SSCC to PPTA, 21 October 1987 in HX87/418, 27 October 1987 pp.2, 3.

<sup>9</sup> Interview, Doug Martin, 15 July 1997.

not just within an industrial relations framework but in the broadest possible educational environment. In planning how to deal with the proposals, the boundaries it set itself in opposing the Government agenda were not limited by the industrial relations context. A paper to the PPTA executive from the advocate is evidence of the PPTA engagement with the wider state project, not just its manifestation in industrial relations. The language used is militaristic in tone. Membership education was for the purpose of “pre-arming for dramatic management changes in work places”.<sup>10</sup> It also suggested a counter-proposal to government with an alternative model for education. This was described, in Gramscian terms, as a “war of position” (Forgacs, 1988:225–230). Allies were to be the Combined Teachers’ Association (CTA), a loose coalition of teacher unions from kindergarten to tertiary; the Secondary Schools’ Boards Association (SSBA); parents; unions; and MPs sympathetic to retaining the best of secondary education.

In the event, for the time being, the Executive entered on a pragmatic campaign to defeat the proposals in their industrial relations setting. This involved the realisation of the need to retain principal loyalty and a representative from the PPTA Principals’ Advisory Committee was included in the negotiations from that time on.<sup>11</sup> A series of stop work meetings were held at which resolutions were passed, rejecting the proposals of the SSCC.<sup>12</sup> Extensive membership education was also entered into.

This does not mean that the PPTA viewed the task ahead of it with equanimity. Some confusion as to what to do next followed reception of the SSCC proposal. Papers to the Executive immediately following the SSCC proposal display a realisation of the radical nature of the threat to state education as the PPTA had known it.<sup>13</sup> A number of different factors were seen as contributing to a situation of considerable complexity.<sup>14</sup> The advocate of the time set these out.

1. The underlying theme of the SSCC proposals is devolution and regional management. The proposal is also broadly in accord with the Government’s economic policy of a laissez-faire market approach even to social issues.

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<sup>10</sup> HX87/390, Advocate to Executive, 19 October 1987.

<sup>11</sup> HX87/425, Advocate to Executive, 28 October 1987.

<sup>12</sup> *PPTA News*, 9, 2, February 1988.

<sup>13</sup> For example, HX87/390, Advocate to Executive, 19 October 1987.

<sup>14</sup> HX87/390, Advocate to Executive, 19 October 1987, pp.1, 2.

2. The direction the proposal took was to be expected from the heads of agreement of the 7% AGA settlement.
3. Our election campaign anticipated an attack on state provision of education. The SSCC proposal begins the process of transferring responsibility for running an efficient, quality education system from the government to others ...
4. It was stated explicitly at the negotiations that the salary model was totally in accord with the recommendations which would be made by the Picot Committee (Review of Educational Administration).
5. Evidence that the state has been opting out of its role as manager of the education system has been around for some time.
6. ie. the problem is not just a problem confined to the salary negotiations.

While the analysis is oversimplified and somewhat rhetorical, it demonstrates that the PPTA had identified the basic principles of the state sector reforms. One, that governance was shifting from national to local control, and two, that industrial relations and education restructuring was coherent in its policy directions.

The papers also demonstrate that while the PPTA was not going to walk away from the larger fight over state education, it realised that this fight was not going to be won or lost in this salary round.<sup>15</sup> The PPTA's concern about the disparate knowledges between Executive and the membership over the wider government agenda made membership education a high priority. At this stage, it also differentiated between a campaign in defence of state education and the salaries campaign it was currently involved in with pay and conditions a focus.<sup>16</sup>

Membership education involved production of a special bulletin for circulation to all Branches for discussion.<sup>17</sup> The depth of the PPTA's engagement with the SSCC proposal and its concern that the members should understand at this deepest level are apparent from the number of background papers provided and the strength of the connection made to the broadest possible consequences for education. These background papers provide evidence of the difficulty the PPTA experienced in differentiating between industrial and educational matters. It is interesting that the proposals were taken at face value. There seems to have been no appreciation that the proposals were a trial by the SSC. They were treated rather as a carefully

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<sup>15</sup> For example, HX87/425, Advocate to Executive, 28 October 1987.

<sup>16</sup> HX87/425, Advocate to Executive, 28 October 1987.

<sup>17</sup> CI87/14. *PPTA Special Bulletin on the 1987 Salary Round*. nd.

thought-through detailed position. In the substantive part of the Special Bulletin it headlines and highlights.<sup>18</sup>

SERIOUS THREAT The PPTA believes that this proposal, as it stands, seriously threatens teachers, teaching and the quality of secondary education, and that it must be taken seriously. It is a direct descendant of Government intentions expressed in last year's Buff Report on state pay fixing, and the Heads of Agreement which accompanied the AGA in April. It is also consistent with the wide-sweeping reforms of the Labour Relations Act, the deregulation of the economy, state sector reform including corporatisation, and the likely direction of the Review of Education Administration. That is, the committee's approach is part of a much broader Government strategy with which we will have to deal with wit, intelligence and energy. We may have to seek help, but deal with it we will.

Again, the oversimplified analysis demonstrates a grasp of basic principles, but within a framework where everything the Government did in the reforms was to be opposed. For example, no distinction was made between the *Labour Relations Act*, widely regarded by private sector unions as a victory against greater labour market flexibility (Walsh, 1989b) and other reforms.

In the same bulletin, background papers were provided on *state pay fixing legislation; curriculum; salary differentials and performance pay; teacher supply; training, qualifications, and classification; staffing; bulk-funding of salaries; equity issues; implications for principals*; and one entitled *Does money matter?*<sup>19</sup> The background papers display an interesting mix of reactions to the SSCC proposals.

Four out of the ten backgrounders reaffirm aspects of Fraser's principles of education. The State must fund and provide education so that all have the same chance of a quality education.<sup>20</sup> The move away from a national system of education was underlined as undesirable. The predominant tone is one of reaction rather than industrial repositioning except in the reaffirmation of the values of the KWNS education settlement against those of NPM. In some parts, there is a slowly dawning realization of the consequences of some proposals. In others, the arguments against the proposals are tenuous and some insecurity is evidenced, but as yet this has not turned into a change in values.

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<sup>18</sup> CI 87/14. *PPTA Special Bulletin on the 1987 Salary round*. nd.

<sup>19</sup> CI 87/14. *PPTA Special Bulletin on the 1987 Salary round*. nd.

<sup>20</sup> CI 87/14, Backgrounder No. 5.

The PPTA opposition to fixed-term contracts for principals was established at this time. This became entrenched, and by 1989 no compromise was possible. There were several different reasons for the total opposition. The following list portrays the mix of professional, educational and industrial arguments that were evident in the PPTA's position over the education reforms throughout the Long Negotiation.

1. There was a deep seated ideological objection to the assumptions of New Public Management which argued that fixed-term contracts were an incentive to perform and focused Chief Executives on the goals of the Board, rather than their own interests. This argument was regarded as deeply insulting to principals.<sup>21</sup>
2. As we have seen, the members of PPTA had a strong sense of profession. Principals were part of that profession. All principals were teachers, and, despite tensions already portrayed in Chapter 8, the principal position was a career step to which teachers aspired. The pay and conditions of service of principals were therefore integrated with those of other teachers and an attack on them in terms of loss of tenure or standard pay and conditions was regarded as an attack on all teachers.<sup>22</sup>
3. Later, as arguments grew more sophisticated, removal from coverage by the Secondary Teachers' Award was regarded as an action that removed from principals their right to belong to PPTA. Despite constant reassurances by the SSC that this was not legally the case, the PPTA maintained a view that removing principals from coverage was an attack on teacher unions (Munro, 1989:23).
4. Later, also, in the face of some expectation by principals that they would receive an enhanced salary package with fixed-term contracts, the PPTA argued that, if this was the case, the enhanced salary would have to come out of the bulk fund to schools. The principals' salary would thus be in competition with those of other teachers.<sup>23</sup>
5. Another, weaker, argument was that principals would become more cautious and less innovative if they did not have permanent tenure.<sup>24</sup>

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<sup>21</sup> PPTA File 19/1/1, Letter, Principal member of PAC to other principals, nd.

<sup>22</sup> PPTA File 8/3/5, Executive speech notes to PPTA stopwork meetings, December 1988.

<sup>23</sup> PPTA File 8/3/5, Executive speech notes to PPTA stopwork meetings, December 1988.

<sup>24</sup> CI 87/14, Backgrounder No. 9. n.d.



The backgrounders that displayed tenuous arguments were those on curriculum and salary differentials. Talk of curriculum stagnation and an unbalanced curriculum if the principal were to be placed on contract sound a little desperate.<sup>25</sup> However, to be fair, it was unclear at that time how a NPM model would fit in with a national curriculum such as the one developed under Russell Marshall. This was not clarified until after 1990 and a National Government had taken power. Arguments at this stage over differential pay for either subject or performance reasons sound naive and reflect the lack of experience of teachers – compared with that of other state servants – with either ranges of rates or appraisal systems. The arguments against ‘merit pay’ grew more sophisticated in the 1989 negotiations. At this stage, there is no doubt, however, about the strength of commitment to a national pay scale, with entry based on level of qualifications, and to automatic annual increments. Naivety or not, there was also a strong argument about the difficulties of introducing differential pay rates in schools. As we saw in Chapter 2 regarding the relative autonomy of the classroom, it is difficult for outsiders to evaluate teachers’ work because there is no consensus about the technical outcomes required of teachers.

The discussion on teacher supply and about principals goes right to the heart of the KWNS historic compromise (Jesson, 1989). The SSC package replaced the social contract between capital, the state and labour as partners with an emphasis on incentives in order to make employees perform. The PPTA backgrounder highlights this.

The SSCC model is based on competition between teachers, while the job teachers do is based on cooperation and teamwork. Teachers would find professional goals replaced by financial goals. That strikes at the very heart of what teaching is all about. ... Everything a teacher said and did would become a matter for salary increase or decrease and for promotion considerations. Only the brave would question and speak out and they might find themselves rewarded with a financial penalty.<sup>26</sup>

There appears to be an appreciation in the backgrounder that the differences were philosophical and a product of the beliefs behind them as much as they were part of the specific proposals themselves.

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<sup>25</sup> CI 87/14, Backgrounder No. 2. nd.

<sup>26</sup> CI 87/14, Backgrounder No. 4. nd.

The contention in the SSCC letter is that pay is a reward. Further it contends that it is an incentive to cause people to perform better or even maintain their performance. These are mere beliefs founded in ideology but not in facts about human behaviour.<sup>27</sup>

This ability to see behind the proposals is evidenced again in the backgrounder on bulk funding of salaries.<sup>28</sup> It is stated that, in a bulk-funded environment with differential salaries, all teachers cannot benefit – and some will benefit to the detriment of others. Also, under a roll-determined bulk fund, the system would set up competition between schools for pupils.

The backgrounders contained one strong repositioning statement concerning the PPTA's claim to accountability through the disciplinary procedures and the reviewed competency system.

With such reaction at variance with the SSCC proposals, it is not surprising that the negotiations did not make progress. PPTA stop work meetings in December approved a plan of industrial action including rolling stoppages.<sup>29</sup> The parties met again in January. Progress was slow, although a statement on the importance of teacher supply and conditions of employment was agreed and the SSCC proposals set aside for the time being. Attention then became focused on ranges of rates alone. Because progress was still slow, the SSCC proposed an independent Chairperson.<sup>30</sup> This did not lead to settlement, however, and both parties found themselves back on the old track to arbitration. This time it would be heard in front of the Arbitration Commission.

## **Arbitration**

The 1987 amendment to the *SSCE Act* had replaced the Public Service Tribunal with the Arbitration Commission constituted under the new private sector legislation, the *Labour Relations Act, 1987*. Thus, even before the *State Sector Act, 1988*, a link had been established between the state and private sector. The powers of the Arbitration

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<sup>27</sup> CI 87/14, Backgrounder No. 10. nd.

<sup>28</sup> CI 87/14, Backgrounder No. 7. nd.

<sup>29</sup> *PPTA News*, 9, 2, February 1988.

<sup>30</sup> CI88/19, 27 January 1988.

Commission were such that it could regulate the procedure of arbitration in any way it thought best. In this sense, the *Labour Relations Act* had changed not only the form of arbitration in the private sector but also the form of arbitration in the state sector as well.

After evidence had been heard in the PPTA/SSC hearing of April 1988, instead of ruling on the case, the Commission required the parties to negotiate to conclusion with the Commissioner himself as facilitator.<sup>31</sup> This was partly due to the stance of the PPTA in arguing that pay alone would not solve its recruitment and retention problems. This was an attempt to further the priorities of members as agreed during the Conditions Initiative. Arbitration this time, therefore, allowed the PPTA a chance of progressing its agenda of improvements to conditions for members.

A final day of negotiation under the facilitation of the Arbitration Commissioner concluded the 1987/88 pay round. It took place between the SSC and two of the PPTA negotiators. The Department of Education was not represented. This led to an odd settlement. The SSC negotiators, being new to negotiations in the education sector, were not familiar with the history of the PPTA's commitment to staffing improvement, the Conditions Initiative and the classification review. The PPTA therefore offered to forego pay for individuals in return for improvements to these aspects of secondary education. The final settlement therefore contained increased teacher development time, improved levels of ancillary staffing, study leave and implementation of the classification review, none of which benefitted individual teachers. These conditions offered no monetary benefit to specific individuals, but rather benefitted schools. They were accepted by the SSC, under pressure from the facilitator, as legitimate tradeoffs for a 7% pay increase.<sup>32</sup> No components of the SSC proposal were contained in the final settlement.

## **The Results**

The PPTA was very pleased with the results of this one day of negotiation. It could demonstrate to members not only that the restructuring had been defeated, but also

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<sup>31</sup> *PPTA News*, 9, 5, May 1988.

<sup>32</sup> HX88/199. Advocate to Executive, 24 June 1988.

that staffing and conditions improvements had been made. And the agreement to implement the classification review it saw as endorsement that its accountability system would prevail. Unusually – given some of the insecurities expressed in the membership pack at the beginning of the round – once again, the PPTA felt it had won a significant victory.<sup>33</sup> It also demonstrated to the PPTA that a bargaining environment with more flexibility to bargain over conditions as well as pay would have advantages for it. The constraints exercised by the *SSCE Act* over the narrow range of matters able to be negotiated was remarked on by the PPTA advocate in the opening submission to the Arbitration Commission.<sup>34</sup>

In terms of the SSC's goals for the pay round, the PPTA's settlement had been confined to a 7% pay rise, the same as elsewhere in the state sector, with backdating not as extensive.<sup>35</sup> The SSC had trialled NPM structures and approaches to pay flexibility and had been able to gauge the response. The report on a meeting of the PPTA with the parliamentary Education Caucus Committee confirms that the SSC had not seriously anticipated gains in restructuring at this time and that it was the SSC rather than the Government that was involved in the design of the proposals.<sup>36</sup> The Minister of State Services, Stan Rodger, conveyed the extent of the demise of the education partnership and the idea that the PPTA should get used to a new environment in a meeting with the Otago Region of the PPTA.<sup>37</sup>

[Stan Rodger] referred to our salary scale as “bizarre” – all those people bunched up at the top of the basic scale. He feels that PPTA made a tactical error in taking the SSCC “initial” proposal back to members ... He stated that referring to the membership in this way was “a strange way to operate”.

The SSC could also be pleased with the conclusion of the 1987/88 pay round.

In other words, both parties felt that they had repositioned themselves well in preparation for what was next in store. This account of the pay round is misleading insofar as a major event of state sector restructuring had taken place at the same time. The *State Sector Bill* had been tabled in December 1987 and the PPTA had participated in CSU protest through until the *State Sector Act, 1988* had been passed.

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<sup>33</sup> HX88/199. Advocate to Executive, 24 June 1988.

<sup>34</sup> HX88/135, 29 April 1988, p.9.

<sup>35</sup> HX88/199. Advocate to Executive, 24 June 1988.

<sup>36</sup> HX87/450. 9 December 1987.

<sup>37</sup> Letter, David Benson-Pope to General Secretary, 20 December 1987.

For neither of the parties, were the 1987/88 pay negotiations their sole point of focus. For the SSC, the education sector was only one among many of the groups for which it was responsible. The main focus for the SSC Industrial Relations Division was to ensure that the industrial relations component of the reforms was coherent. For the PPTA, the total threat to education from the principles of state sector restructuring and how these might be implemented through the Picot Taskforce was as important at the time as were the pay negotiations themselves.

Industrially, the 1987/88 salary negotiations can be seen as a trial for the processes of the *Labour Relations Act* in the education sector as well as for the proposed new personnel regime under a restructured administrative system.<sup>38</sup> By the time of arbitration in April, the *State Sector Act, 1988* had become law. As in the new provisions under the *State Sector Act, 1988*, the SSC had effectively represented the employer, albeit with support from the Department of Education. The PPTA had not previously dealt with the SSC to any great extent and the 1987/88 salary round provided an opportunity to become familiar with its style (Herbert, 1987). Also, the use of an independent chairperson in the final day of negotiations anticipated the role of the conciliator under the LRA.

Although some of the experiences for PPTA were negative, it was also provided with several opportunities. Members had been educated, not only over the issues in the round, but also in the wider context of what form the education restructuring was likely to take. The PPTA was enabled to develop arguments about restructuring issues before the structural changes of the *State Sector Act* complicated matters. In that sense it was repositioned industrially by the end of the round. It had also experienced the work of an independent chairperson and realised that this could have benefits. If there was to be no arbitration, the formal processes of the *Labour Relations Act* could provide some protection. It had also experienced the advantages of being able to bargain over a range of issues, and consolidated its belief that it could win in the restructuring stakes. The PPTA's encounter with the SSC as a bargaining partner had been not so positive. It expressed this negativity in the *PPTA News*.

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<sup>38</sup> *PPTA News*, 9, 2, February 1988.

PPTA agreed to [the Chief Commissioner's] request but made it clear that the Association was very pessimistic about the possibility of positive negotiations with the State Services Commission.<sup>39</sup>

Despite some uncertainties expressed initially as to how to proceed to fight changes in education as a whole, the arbitration hearing also provided the PPTA with an opportunity to express its dismay that an industrial relations forum was the one in which it found itself defending education as a whole. While the literature relating to education reform has identified *Tomorrow's Schools* as the cause of restructuring in education, the PPTA's experience was different. The restructuring had been introduced via industrial relations. Its words demonstrate the link it made between pay flexibility and the radical changes this would bring to education. It did not see pay flexibility as solely a pay issue for teachers. As it pointed out, the community had not agreed to this different value system for education.

... the proposal from the SSCC was not *just* an administrative change to pay scales. In the opinion of the PPTA, such restructuring carried with it profound professional implications for secondary education ... . One of the most frustrating aspects of the SSC proposals is that because they have been raised within the context of a pay round few appear to understand when we say there are philosophical issues involved which would change education if implemented. ... It is the contention of the PPTA that it is impossible for profound philosophical debates to be held in the course of salary negotiations.<sup>40</sup>

The PPTA had not accepted the new value system of NPM, but it was having difficulty in finding a forum in which to bring to the attention of the community that reforms about restructuring the processes of the state would have implications for the schooling their children received, and, similarly, that reforms about education administration would affect the quality of schooling. The PPTA's very successes over members' pay and conditions and its past influence in education meant that some in the education community – and in the wider community – were not sorry to see this influence reduced. Thus, the contradictions apparent in the professional position adopted by the PPTA, where it did not distinguish between what was good for education, and what was good for teachers brought about a diminution of its

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<sup>39</sup> *PPTA News*, 9, 5, May 1988.

<sup>40</sup> Summation before Arbitration Commission. In HX88/135, 29 April 1988.

ability to communicate its concerns to the community at the very moment when a disinterested and knowledgeable analysis of the reforms could have been beneficial.

The influence of the Department of Education was also in decline throughout this period. Bill Renwick, the Director-General of Education retired early in 1988. The Personnel Division of the Department of Education had been disestablished leading into the *State Sector Act, 1988*. The declining influence of the Department in the 1987/88 negotiations had been the cause of some bitterness and had delayed some industrial negotiations.<sup>41</sup> The PPTA was having difficulty in meeting with the Minister of Education and with the Department of Education who were busy with the Government's restructuring. The changed environment is described by the PPTA, reporting on a meeting with the Acting Director-General of Education and senior officials.<sup>42</sup> It is evident that the Department had learnt the lesson of provider capture.

We asked to whom we should direct concerns in the "new environment". Reply "It's business as usual here. We're very busy". ... we also talked about our working relationship with the Department. The Department expressed surprise that we have not frequented their corridors as often as we were wont to do. They assured us of their desire to hear our views and test their views on us. However, they were adamant that the view they put to the Minister must be theirs and must not represent a consensus view reached with the union. This would make them liable (again) to the criticism that they have been "captured" by the union groups.

Despite the PPTA's negative experience of the SSC in this round, the SSC was now the only point of contact over pay and conditions. The Department was now independent of the PPTA and aligned with those carrying out the restructurings. The partnership was at an end, although the PPTA had not yet realised the important role that that partnership had had in giving it the power to succeed over pay and conditions and over improvements to secondary education as a whole.

In terms of values, Executive papers through the period of late 1987 and the greater part of 1988 – the period in which the 1987/88 pay round, the *State Sector Act, 1988*, codification and the report of Picot and *Tomorrow's Schools* took place – show some

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<sup>41</sup> HX 88/8. Advocate to Executive, 18 January 1988.

<sup>42</sup> HX 88/98. President to Executive, 14 April 1988.

confusion.<sup>43</sup> Confusion was displayed over which issues were the most important, over which issues could be fought industrially, over which issues the PPTA could successfully oppose, and over the commitment of membership. The long-term objective was sometimes to defend as much as possible of state-run secondary education.<sup>44</sup> Contradictorily, the PPTA stated that it had no interest in entering a combative role with the Government.<sup>45</sup> Sometimes a more pragmatic viewpoint would prevail.<sup>46</sup> There was one continuous certainty through all the documents. The PPTA systems of accountability would prevail. The context of all papers is also clearly still the values of the KWNS education settlement.

### **Codification**

The effect of the *State Sector Act* on industrial relations was to bring state sector employees under the *Labour Relations Act, 1987*. For the first time, the state and private sectors were covered by the same legislation. The core principle of managerialism, namely that management practices are such that they can be applied equally in the state and private sectors, was thus put into practice. If this principle possessed validity, one would expect some homogeneity of industrial relations between private and state sectors from April 1988 onwards. As yet, this principle has not been subjected to research scrutiny.

A practical matter arising out of the State Sector Act had to be attended to immediately. This was the codification of all existing conditions of employment for secondary teachers into one award document. This process required agreement between the employer and union parties and therefore another round of negotiations between the SSC and the PPTA. The codification process for the SSC and the PPTA was gruelling in terms of the time taken over the negotiations and the detailed knowledge required, but they were a much more straightforward set of negotiations than the one before or the one that came immediately after. Both parties regarded the negotiations as

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<sup>43</sup> A very small selection is HX87/425, HX87/450, HX 88/4, HX88/10. To gain a comprehensive overview of the debates within the Executive as the industrial, state sector and education restructuring successively gained momentum, the whole of the HX file from October 87 to August 88 needs to be read.

<sup>44</sup> HX 88/10 Advocate to Executive. 19 January 1988.

<sup>45</sup> Briefing note to the Education Caucus Committee. Attached to HX87/450, 9 December 1987.

<sup>46</sup> For example, HX88/4, Executive member to Executive, 18 January 1988.



repositioning for the next major encounter between managerialist and professional approaches to schools.

The terms and conditions of employment of every employee in the state services was required by the *State Sector Act* to be identical with those pertaining immediately before the Act.<sup>47</sup> The Minister of State Services had conceded that all existing conditions of employment would be carried over into Awards (Walsh, 1991b). On the surface, this makes it seem as though no negotiation should have been required.

However, employees in the education service, like those in other sectors, had conditions set out in a large number of Acts, regulations, determinations, manuals, departmental circulars and memorandums and informal agreements between the service organisation and the relevant department (Walsh, 1991b). The definition of terms and conditions of employment was therefore immediately a cause for argument between the parties. In the case of the PPTA, this difficulty was exacerbated by its history of not drawing boundaries between professional matters such as curriculum and staffing, and teachers' pay and conditions. The partnership with the Department of Education had enabled it to negotiate outside industrial forums over matters such as curriculum, staffing, and classification. Agreement with the Department of Education therefore constituted a condition that should, in the PPTA's view, be included in the Award. On the other hand, the SSC adopted an initial position that only matters laid out in the previous Determinations should be included. These were matters relating to pay, conditions and leave only. Previous administrative manuals had included bureaucratic criteria and procedures by which officials decided in which cases eligibility to conditions should apply. PPTA regarded these as essential to conditions. The SSC did not.

With other restructuring proposals by the Government still to be decided in the education sector, the SSC also could not allow the inclusion of matters that would proscribe further state restructuring. This was particularly critical in the case of regulations. The SSC tried to contain conditions that were contained in regulations to a simple reference to the Act or Regulation in the Award. When the regulations were subsequently revoked, the conditions would then cease to have effect. The

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<sup>47</sup> *State Sector Act, 1988*, Clause 94.

PPTA, however, took the Government commitment to identical conditions seriously and believed that the content of all regulations were conditions of service. As a result, it was of the view that these should therefore be written into their Award so that they would be preserved when legislation was altered.

This difference in approach led to another set of negotiations in which the positions adopted by the parties were at variance, making compromises difficult to achieve. The advocate for the SSC during codification describes the complexity of the situation for the SSC, arising from the difficulty of keeping options for the Government open as the education reforms developed.

... Picot and subsequent reports really weren't given effect until after the *State Sector Act* had passed. We also had, I suppose, a wee bit of a funny situation where commitments were given by senior politicians to the teacher unions that all of their conditions of employment, however described, would be converted into comprehensive Awards. But on the other hand, the politicians had also agreed to the Picot and *Tomorrow's Schools* type booklets going ahead and that actually involved the principles of the *State Sector Act*, including its personnel principles, being applied. And so we felt when we went into the codification talks that there were two conflicting instructions that we had. We felt that we had in the process of codifying conditions comprehensively to do it in a way that left space for the *Tomorrow's Schools* type reforms still to be given effect. We felt that the unions would never agree voluntarily to giving up the disciplinary regulations ... They would not willingly negotiate those away. The only way in which they could be reformed was if the Government had the ability to repeal the legislation, and that [would create] a vacuum which would have to be filled.<sup>48</sup>

It was in codification that the SSC first encountered the PPTA's intense commitment to the existing disciplinary and competency procedures. The SSC advocate indicates that they identified this as an important position of the PPTA,

With the PPTA the signal from codification was our disciplinary procedures, our competency procedures, all of this is very very important to us both as a union and as a professional body. We believe that the only way in which you can really achieve good standards for teachers is through those kind of processes and we haven't heard of anything better and you'll have to convince us that there is something better before we'll give them up.<sup>49</sup>

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<sup>48</sup> Interview, Gerald Minnee, 19 December 1996.

<sup>49</sup> Interview, Gerald Minnee, 19 December 1996.

The issue for the PPTA arose from its desire to preserve matters contained in regulations pursuant to the *Education Act, 1964*. In particular, matters relating to discipline and competence and staffing were all in regulation. A PPTA advocate during codification outlined the importance the PPTA attached to the regulations and the PPTA intent to ensure the content of these continued via the Award when the *Education Act, 1964* was repealed.

We had had an inkling of the Commission's desire to remove impediments which prevented managers from managing and we had had a letter early on setting out in fifteen pages the issues of concern the SSC had. So what we knew we were going to be facing was not negotiations about pay but negotiations about what the legitimate contents of [an Award] were going to be. We had a war of attrition through 1988 and into the beginning of 1989, about February, in the codification process which was ended by a decision of [the mediator]. It was quite possible and proper for terms and conditions that were set out in statutory regulations to be imported verbatim into an Award. ... But the basis for [the SSC] action was that they could see that if we managed to write into the codification process and subsequently into the Award the *Education, Assessment, Classification and Appointments Regulations* either in whole or in part or in effect then we would place quality assurance and accountability issues on the negotiating table and their view was these were matters wholly and properly for the Crown and that to import those into the Award would be to abrogate the right of the Crown to make regulations on these matters. We didn't agree with this.<sup>50</sup>

### Codification for the SSC and the PPTA became

a tedious, draining task as we bash our respective expectations against each other.<sup>51</sup>

In looking back at the negotiations, the SSC concluded that, because of the difficulty in balancing the contradictory instructions of the Government in the face of other, evolving reforms, it had not been positioned as well as it would have liked by the conclusion of the negotiations.

The PPTA spent a lot longer on the codification talks, which everywhere else was largely technical. [The talks] were charged with emotional, industrial and probably constitutional significance because of the background things I've been talking about. The PPTA went to mediation over a number of things which it felt it just could not agree. The SSC agreed we just could not put into the Award the straight words of what [this] process said or that process. I think that looking back at it, given the historical significance of the issues, we probably did pretty well to get down to one or two things that went to mediation. By and

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<sup>50</sup> Interview, Ken Wilson, 29 August 1996..

<sup>51</sup> HX88/260, 17 August 1988.

large, the PPTA got a good result. The net point is that the PPTA's Award probably compromised the Government's ability to just simply drop from legislation, personnel provisions. Then you could have had a clean slate and the parties would negotiate something new.<sup>52</sup>

The PPTA also perceived itself as having been successful during codification.

The *Education, Assessment, Classification and Appointments Regulations* during the codification process were stitched into the contract as [references] and in the appendices. In fact I made a special effort, and [the other advocate] to do that, in case the Regulations went. The early drafts of the Award have the most extraordinary definitions section because ... we attempted to capture the entire Regulations and rebirth them as Award provisions. The Government could pass what Regulations it wanted but we would still have our own kind of little regulations, now captured in the Award. To that extent, we were pretty bloody successful really.<sup>53</sup>

Codification concluded with the mediator ruling on matters that could not be agreed. The SSC immediately appealed his ruling.<sup>54</sup> This brought negotiations on codification perilously close to the start of the negotiations for renewal of the Award which had an expiry date of 31 March 1989. In fact, the SSC suggested at one stage that the conclusion of the codification process be integrated into the 1989 negotiations for Award renewal.<sup>55</sup> The PPTA, after a year's experience of the SSC was having none of this. It reasoned that in a climate of concessionary bargaining, to start negotiations without a finalised Award for protection would be to render up all contents of the Award for negotiation again.<sup>56</sup>

At the conclusion of codification, therefore, the PPTA perceived itself as having achieved another success. In these first two stages of the Long Negotiation, however, it had received assistance from factors which were not to be present in the 1989 negotiations. We have seen that, during the 1987/88 salary round, the PPTA displayed some confusion about the extent to which it was operating in an educational as opposed to an industrial environment and about whether it was making educational as opposed to industrial arguments. In the event, compulsory

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<sup>52</sup> Interview, Gerald Minnee, 19 December 1996.

<sup>53</sup> Interview, Ken Wilson, 29 August 1996.

<sup>54</sup> *PPTA News*, 10, 1, February 1989, p.1.

<sup>55</sup> *PPTA News*, 9, 14, December 1988, p.5.

<sup>56</sup> *PPTA News*, 9, 14, December 1988, p.5.

arbitration assisted the negotiations to conclusion. During codification, it was occupied in a repositioning exercise and was totally preoccupied with the industrial environment. As the comments of the SSC demonstrate, in that industrial environment, with a purely industrial focus, it was successful and emerged with an Award that positioned it well for the 1989 negotiations.

This does not mean that the PPTA had ceased to be interested in what was happening in the wider educational environment, as we shall see in the next section. But for the time being, the conflict between the educational and industrial concerns had been minimised during codification itself.

### **The Picot Report and *Tomorrow's Schools***

The codification process absorbed much of the time of SSC and PPTA when other, equally important matters were being introduced via the Picot Report and the publication of *Tomorrow's Schools*.

Influences for change in the education sector accelerated after 1 April 1988 and the introduction of the *State Sector Act*. The effect on the workload of the PPTA and the test of its ingenuity can be seen with eight successive issues of *PPTA News* highlighting different major events or activities on its front page. The two issues in May reported on the *State Sector Act*, the *Labour Relations Act*, and the different approach to arbitration that settled the 1987/88 salary claim. The Picot Report was released on 10 May 1988 and this was the front-page item for June. The July issue featured a booklet PPTA had published, *Moving Forward: Directions for Secondary Education* (NZPPTA, 1988),

designed to present PPTA's overall goals for secondary education as a constructive contribution to the public debate and to foster public understanding of the basis of the association's stance on educational developments.<sup>57</sup>

The first issue of August contained the news that the PPTA had invoked the disputes procedure of the LRA to break a deadlock with the SSC over codification of teacher conditions into an Award. The second reported on the social effects nationwide of the Labour Government's economic restructuring. *Tomorrow's Schools* was

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<sup>57</sup> *PPTA News*, 9, 7, July 1988.

analysed in the September issue and by October a new claim had been lodged for the 1988/89 pay round.

From the time of the announcement of the Picot Task Force, the PPTA had been aware that the education sector was not to be immune from the attention of economic rationalist and managerial restructuring. The 1987/88 wage round and the *State Sector Act* confirmed this. Strategy papers from the conclusion of the round still show the Executive wrestling with the issue of how the agenda could be resisted. As the time neared for the Picot Committee to report, an editorial by the President provides evidence that the PPTA was preparing its membership for a defensive engagement with the proposed changes, not just a passive acceptance of them. The editorial displays not only a very broad sweep of engagement with the ideas of the education reform but also the responsibility the PPTA took to ensure the membership understood what was behind them. It also demonstrates a continuing commitment to the values of the KWNS education settlement.

Our vision of education is not the one being foisted on us at the moment but if our vision is to prevail and if education is to survive, then we have to promote that vision. This need is seen as the major use of the Teach-In funds.<sup>58</sup> It is proposed that the national share of that fund be used in three major ways:

- 1) To prepare and distribute a manifesto-type booklet which sets out PPTA's positive vision of education and communicates it to the community at large;
- 2) To prepare and distribute a kit for branches to assist them in doing the same thing in their own communities;
- 3) To provide back-up for branches in the form of resource people and advice.<sup>59</sup>

The Picot Committee reported on 10 May 1988. The PPTA was cautious in its first response.<sup>60</sup> In its submission to the Picot Report, PPTA concentrated on the level of devolution and said that the Report had gone too far in that direction.<sup>61</sup> The submission bears scrutiny in its own right as a statement of PPTA's analysis of the proposed education reforms at this time. The statements on teacher accountability highlight the tensions between different approaches to education contained in the

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<sup>58</sup> The "teach-in" was a protest by secondary teachers during CSU action against the State Sector Bill. They taught all day and donated a day's pay to PPTA funds to be used in further activity against government restructuring.

<sup>59</sup> *PPTA News*, 9, 3, April 1988.

<sup>60</sup> *PPTA News*, 9, 6, June 1988.

<sup>61</sup> *PPTA News*, 9, 8, August 1988.

Report. This tension between NPM and continuities with the previous education settlement was discussed in Chapter 7.

The Association strongly believes that there must be effective mechanisms for removing inadequate teachers. However the [Picot] Report becomes seriously confused when discussing teacher appraisal. Throughout the report the statements of principle about school management refer to collaborative environments in which teachers are assisted to improve their performance, while the actual structures proposed are those which stress competition, incentive, hierarchical authoritarianism, and the identification and removal of the incompetent.<sup>62</sup>

PPTA's positive vision for education was released in the booklet *Moving Forward* on 30 May (NZPPTA, 1988). This was a considered strategic initiative on PPTA's part as part of its defence of a state education system.<sup>63</sup> It identified six conditions that needed to be met if secondary schools were to succeed in their task (NZPPTA, 1988:5).

- All students must have the right to attend their community school, which must provide a common high standard and meet all their educational needs.
- What students learn at school should reflect both local needs and national goals.
- Schools should try to remove inequalities of educational opportunity due to sex and race.
- Teachers need to be well trained and qualified and to be properly qualified.
- There should be local control within a framework of state funding and a guarantee of national standards.
- There should be a school–community partnership based on mutual respect and a shared concern for the educational needs of the students.

The PPTA was conveying a positive stance towards devolution but with an emphasis on the values of the KWNS education settlement. There should be a national education system, it should be one committed to equity, and an attempt was being made to recreate a partnership, this time with the community.

As outlined in Chapter 7, analyses of the *Tomorrow's Schools* document identify the strong influence of economic rationalist ideas. At the 1988 PPTA Annual Conference, after the publication of *Tomorrow's Schools*, the Prime Minister and Minister of Education, David Lange, demonstrated that he believed these ideas had

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<sup>62</sup> *Submission of the New Zealand Post Primary Teachers' Association on the Report of the Task Force to Review Educational Administration, 1988, p.21.*

<sup>63</sup> HX88/75, 4 March 1988.

been defeated in *Tomorrow's Schools*, an analysis that he has maintained ever since (Lange, 1999). He stated his belief that the booklet *Moving Forward* had been helpful to his cause, in the process asserting that the PPTA could not possibly oppose *Tomorrow's Schools*.

Couldn't drive a cigarette paper between Moving Forward and the government's recommendations on Picot. Very hard – unless you're distinctly uncharitable. It's no good being a tiger here and a pussycat somewhere else; let's face it, it's basically the same.<sup>64</sup>

The PPTA, however, was not convinced. The publication of *Tomorrow's Schools* led to a much more public level of opposition to the reforms on the part of the PPTA.<sup>65</sup> The General Secretary reported to the Executive in very strong terms:

*Tomorrow's Schools* is more than just being about education administration. It affects teachers' conditions directly, their relationships with boards and communities, their relationships with each other, etc. All these of course contribute to the other worries about educational opportunities and outcomes. In a nutshell, *Tomorrow's Schools* represents the ultimate in New Right ideology. It represents the ultimate in devolution of responsibility and accountability and the ultimate in centralised control. The model is but a half step away from corporatisation/privatisation.<sup>66</sup>

Within the rhetoric, the PPTA's appreciation of the subtleties of the reforms can again be seen, for example, the tension between devolution and central control, and the continuing construction of a monolithic "enemy" to be opposed.

The Deputy General Secretary (Industrial) portrayed the ongoing inability of the PPTA to distinguish the industrial from the educational,

It is impossible for teachers to separate themselves as workers from the job they do. Teachers' conditions and the future of education are inextricably bound together. The booklet proposes that individual boards will have the power to interpret the Secondary Teachers' Award. There would be as many interpretations of salaries and conditions as there are boards.<sup>67</sup>

By the time of the 1988 Annual Conference the membership was well educated in the industrial relations, state sector and education restructuring, not only in their effects but in the principles behind them as well. No less than five comprehensive

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<sup>64</sup> Lange speech, *Proceedings of the PPTA Annual Conference*, 1988.

<sup>65</sup> HX88/237, 12 August 1988.

<sup>66</sup> HX88/266, 19 August 1988.

<sup>67</sup> *PPTA News*, 9, 10, September 1988, p.1.



membership packages were sent out in the period November 1987 to October 1988. They covered the SSC proposals in the 1987/88 salary round; the *State Sector Act*; the *Labour Relations Act*; *Tomorrow's Schools*, and preparation for the 1989 Award Round. A training day backgrounding economic rationalist influences on education had also been held in March 1988 for regional facilitators who, between them, visited every branch of the PPTA.<sup>68</sup> Although two of the kits were still to come by the time of the 1988 Annual Conference, members were sufficiently confident in the issues to take control of the agenda from the Executive and instruct them to stop believing that members would or could oppose the entire Government policy on *Tomorrow's Schools* and win.<sup>69</sup> This proved a turning point for the Executive and members concentrated on the industrial Award round as the focus for opposing conditions aspects of *Tomorrow's Schools* from that time on. This does not mean that they ceased opposition to many of the educational ideas contained in *Tomorrow's Schools*, but they did confine industrial opposition to the industrial arena and educational argument to the media and to their participation in the implementation groups set up to refine the *Tomorrow's Schools* proposals.

The 1989 industrial negotiations then became the focus of membership attention and the campaign activity approved at the Annual Conference. Shortly after the Conference, the PPTA once again prepared its members in support of a claim that still pushed for improvements to conditions identified in the Conditions Initiative. However, despite this and the ongoing context of disapproving the proposals of *Tomorrow's Schools* as a whole, the 1989 negotiations that were to come became focused on accountability mechanisms to the exclusion of all else.

## Conclusion

It can be seen that, rhetoric notwithstanding, from 1984 and the term of the Labour Government, the PPTA was being forced into a tighter focus. 1984–1987 was the period of celebration and design of success after success. 1987 saw the SSC trial of the personnel model of the *State Sector Act*. From offensive mode, the PPTA moved into defensive mode, preparing to defend the education system

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<sup>68</sup> *PPTA News*, 9, 2, March 1988, p.5.

<sup>69</sup> An interview with one of the member activists who achieved this shift is given in Jesson (1995:323).

against what it labelled the New Right. Because the industrial relations legislation was still largely that of the *State Services Conditions of Employment Act*, the PPTA came out of the round, not only having fought off the proposals, but also having won some conditions. A combination of the concept of provider capture and the *State Sector Act* legislation, however, confined its activity to an industrial arena. It was defined as a union by the legislation with legitimate activity deriving only from that status. The education partnership was also at an end. From then on, it became increasingly difficult for teachers to find an audience for their concerns about the reforms. They believed their concerns were legitimate as only they held the privileged perspective gained from the relative autonomy of the classroom. The focus on codification arising out of the *State Sector Act* continued the tough relationship with the SSC and absorbed energy at a time when education restructuring proposals were being mooted, although codification did result in some success in repositioning for the first Award negotiations of 1989. The PPTA Executive for a time continued in the way it had always operated, with the whole sweep of education as the playing field, planning a campaign in which it seemed the Executive still felt it could win. By this time, however, members were beginning to adapt to and prepare for the structural changes propounded by *Tomorrow's Schools*. While they were still prepared to act in defence of their conditions, they began to draw the line at taking on the Government. Focus therefore became tighter on principals' contracts, flexibility of pay scales and opposing managerial prerogative through the competence and discipline procedures. By the end of codification, focus was completely on the Award as a mechanism for retaining some of the old world. Some shift in the value system can therefore be seen to have taken place before the 1989 negotiations. It was a realization that their position within education had changed, a realization that their voice must come through the industrial arena. There is no evidence at this stage, however, with the exception of the views of some principals, that the values of managerialism and local governance were going to replace the educational values of the KWNS education settlement.

## Chapter 10

### The Long Negotiation – 1989

#### Issues of Accountability: Managerialism vs Professionalism

##### Introduction

This chapter concludes the analysis of the *process* of state restructuring in the secondary schools sector of education. It also concludes our consideration of education industrial relations as a major site for demonstrating the different components of the restructuring. Following 1 October 1989, after the negotiations described in this chapter, and after the implementation of *Tomorrow's Schools*, institutional change occurred through the setting up of new central structures in education and in the adaptation or informal negotiations of individual schools, Boards and teachers within the greater powers devolved to local level. This did not mean that industrial relations ceased to have either conflict or interest, but as we shall see, by the end of the Long Negotiation, the SSC and PPTA had exhausted the confrontation between their two points of view. This chapter also prepares for the conclusions of the thesis in the final chapter.

##### Overview

The 1989 negotiations took place in three stages. The first stage involved managerial accountability. The SSC claimed fixed-term contract employment for principals and pay flexibility for all teachers through the introduction of ranges of rates to the pay scales. This first stage concluded after realisation by the SSC that the PPTA would never agree to contracts for principals and was not prepared to compromise.

The second stage centred on whether or not disciplinary and competence criteria would be included in the Award to replace those in the *Education Act, 1964* and its associated regulations when they were repealed. The PPTA wished also to retain the involvement

of the teaching profession, as represented by the PPTA, in the procedures associated with both discipline and competence. This stage, therefore, represented a debate over whether professional accountabilities would continue through into the Award or whether constraints on managerialism would be removed. This second stage became a fight over what became commonly known as national standards.

The third stage was the use of legislation by the Government to remove secondary school principals from coverage of the *Secondary Teachers' Award*. This achieved the main claim of the SSC for the round that had not been agreed at the bargaining table itself.

The negotiations, therefore, became more transparently a struggle between the tangible aspects of managerialism and teachers as employees, and the tangible aspects of professionalism and teachers as contributors to the state project. The SSC's agenda was to introduce aspects of managerialism into the schools sector. The PPTA's agenda was to ensure that this did not happen and to preserve the values of secondary education as it had known them. The first part of the negotiations involved a conflict between the two points of view. The negotiations over "national standards" or competence and discipline continued this conflict, but can also be seen as a continuation of the codification process insofar as they involved a transition from previous conditions to those that would pertain after the *Education Act* was repealed. By the end of the negotiations, both parties were exhausted by the demonstration of incompatibility between their two approaches. In comparison with the broad focus of the 1987/88 salary round and the SSC's trial of managerialist structures for secondary schools, and in comparison with codification, the tight focus on just four issues for these 1989 negotiations needs to be explained. The explanation given in the rest of the chapter involves consideration of values, the process of state sector restructuring in education, and the continuity of PPTA's agenda with the KWNS project for education. A general overview of the strategic environment for both parties will be given first, and then evidence will be provided through a consideration of the negotiations for the rest of the chapter.

## **The Strategic Environment for the Government and the SSC**

In many respects, the restructuring of education elsewhere during the period of the 1989 negotiations provided a constraint on how much the SSC could achieve in the negotiations themselves. The reasons for this were practical, financial, and related to the level of institutional devolution in education as compared with elsewhere in the state sector. These influences were not independent, but had an effect together at all parts of the process as it moved towards the next legislative change of repeal of the Education Act, 1964.

The surprise of the SSC at the level of devolutionary control given to individual Boards of Trustees was discussed in Chapter 7. David Lange, Minister of Education at the time, has provided a useful statement on his intentions with Tomorrow's Schools and their subversion by succeeding governments (Lange, 1999). He emphasises in the article his belief in equality of opportunity in education and support for devolution to the level of school Boards of Trustees and "a model of school administration in which decisions were made as close as possible to the point where they were carried out" (p.13). He also demonstrates a clear understanding that the Picot education reform was at variance with the directions of other state sector reform.

The teacher unions at the time argued that the commercialisation of schooling was the aim of the reform. It was not my aim, and it was not inevitable. It was the result of a political choice by another government. I regret that we did not do more in 1989 to entrench the non-competitive elements of the scheme, but I can console myself with the thought that the presence of boards of trustees has at least spared schools from the more bizarre experiments in commercialisation to which hospitals have been subjected.

(Lange, 1999:18)

To the degree that the education reform differed in its level of devolution, then, Lange had been successful in delaying the momentum of reform along the lines of New Public Management in education as opposed to halting it as he wished to do (Jesson, 1989:112). There is no doubt, however, that the devolution of governance to the level of school Boards with no intermediate structures between schools and the Ministry of Education has contributed to a different path for the implementation of New Public

Management (NPM) in the schools sector of education, with some aspects, such as bulk funding of salaries, never having been implemented fully.

By the beginning of the 1988/89 state wage round, implementation groups consisting of representatives from the community, Education Board and Secondary School Boards Association, and officials from the Department of Education, Treasury, and the SSC had been set up to consider the very complex process of expanding on the proposals of Tomorrow's Schools. Teacher representatives were included only after intensive lobbying by the teacher unions. The details of the system, therefore, were still being developed. The new central structures were critical. While the creation of a new policy structure – the Ministry of Education – seemed relatively straightforward, the shape of the proposed Review and Audit Agency (later, the Education Review Authority), the Teachers' Registration Board, and the National Education Qualifications Authority was still unclear. While the proposals were compatible with a NPM environment of separation of functions and contractualism, just how they would work had not been worked out.

More significantly, there was considerable financial risk for government in proceeding with funding reform without legislative accountability in place. The Public Finance Act did not become effective until July 1989 (Pallot, 1991) and there were financial risks to the Crown in giving control over funds to what would be, essentially, amateur Boards of Trustees without very clear constraints. The Funding Implementation Group, in particular, was engaged in an extremely complex task of ascertaining how much of the entire Education Budget should be devolved to schools in the bulk fund.

At the beginning of the wage round, then, while Lange might be pleased with the education reforms, the SSC was reporting to the Ad Hoc Committee on the 1988/9 State Wage Round which included the Ministers of State Services and Finance. The Government had also decided that change should be negotiated with the teacher unions. The SSC was in charge of that negotiation.

Institutional change, therefore, was awaiting the next piece of legislation, the Public Finance Act, 1989, so that the reforms could be completed. The financial and contractual accountability to government would also need legislative constraints. The

Labour Government also had a commitment to negotiation with the teacher unions. This commitment appears to acknowledge the importance of consent in achieving change, with the implied corollary of approval from teachers for the changes.

### **The Strategic Environment for the PPTA**

As the PPTA approached the 1989 negotiations, its trajectory was still that of its successes in 1984–1987. The values espoused were still those of the KWNS. In the two previous encounters with the SSC it had been successful. Even though the outcome of 1987/88 had involved arbitration (a tool no longer available) and even though the suggestions from the SSC had been a trial, it still believed it had fought off the issues. The PPTA had no reason to believe that 1989 would be any different. It had spent time and energy on codification and had so far not lost any conditions that were critical to it. The points over which it had had to compromise, such as the non-inclusion of staffing formulae in the Award, were those that were not enforceable in the old environment.

Two major shifts had occurred. One was the dissolution of the partnership with the Department of Education over education policy and the repositioning of teachers outside the forums in which educational policy was developed. The other was a major shift in the legislative rules surrounding bargaining. The 1989 negotiations were the first to be conducted under the *Labour Relations Act, 1987*. They would be the first to be conducted without compulsory arbitration. Therefore, the PPTA, unused to compromise, read this as an endorsement to act industrially in pursuit of its goals. More naively, accustomed as it was to continual negotiation with the Department of Education, the PPTA took the lack of constraint on bargaining matters to mean that it must take a raft of claims into the 1989 negotiations because there would not be another opportunity for another 12 months.<sup>1</sup> However, the very confinement to Award renewal meant that the potential for making gains as it had in the past lay as much with the employer as it did with the PPTA.

The uncertainty of the changing education environment as it moved towards the implementation date for *Tomorrow's Schools* produced uncertainties in strategic

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<sup>1</sup> CI88/23, 28 July 1988.

direction. The PPTA had decided that the reforms of education lay within the New Right purview and had neither the inclination nor the appreciation to draw the distinction Lange made between his own and the NPM reforms. The PPTA membership, however, had instructed the Executive to draw back from full-scale opposition to every aspect of the reforms. This meant that there was a developing appreciation of the fact that there were only certain matters that were appropriate to take to the industrial forum. We have seen, however, that inherent in the professional approach under the KWNS was a difficulty in drawing a distinction between the educational project and the pay and conditions of teachers as employees. Throughout the 1989 negotiations, the PPTA consistently used educational arguments in support of its claims and in defence against the claims of employers. Just where the line was to be drawn between the industrial and the educational continued to be problematic.

Which aspects of the reforms were to be opposed and how opposition was to be mounted if it wasn't to be in the industrial arena remained a doubtful matter throughout 1989. An example is that of bulk funding. As outlined in Chapter 7, the PPTA had several major reasons to be fearful of the introduction of salaries bulk funding. It was the difficulty of the exercise, rather than any opposition of the PPTA, that caused the delay in its introduction. At this stage, the PPTA had no reason to believe that bulk funding would be delayed. Therefore, like other participants in the implementation process, it had no clear picture of the precise nature of educational administration under the reforms. What it was confident about was its participation in the industrial forum of 1989. The negotiations therefore provided a focus for both membership and the Executive. Nominated Executive and staff members participated in the Implementation Groups from within the overall PPTA perspective, but the results, if beneficial, were more accidental and the result of individual activity by representatives rather than overall coordination.

The lack of clarity about the central organisations had a particular effect on the negotiations. The Teachers' Registration Board (TRB) was endorsed in the *Tomorrow's Schools* document and would have the power to determine the conditions under which teachers would be registered and de-registered. This had the potential to affect significantly entry requirements and criteria for competence and discipline, and therefore it became a point of contention between the SSC and the PPTA. The SSC



argued that the negotiations and the Award could not constrain the powers of the proposed TRB. The PPTA wished to do exactly that, as it had no reason to believe that the TRB would continue to demand training and qualifications requirements of potential teachers. It was not clear, either, whether registration would be compulsory.

## **SSC Preparation**

The wage round/reform strategy for the education service was set out in a joint paper from the Industrial Relations section of the SSC and the Education Department to the Ad Hoc Committee on the 1988/89 Public Sector Pay Round.<sup>2</sup> The difficulty facing the Government was that while the *State Sector Act, 1988* had reformed industrial relations in the education sector along with those in the rest of the public service, the personnel regime had been left largely untouched because, at the time, the Picot Task Force had not yet reported. The *Education Act, 1964* and its regulations still prescribed many conditions of service. These would have to be repealed and revoked in order to establish new personnel arrangements.

The briefing paper notes that officials had been resisting the codification of the content of the Act and Regulations into Award documents in order to allow for the application of the principles of the *State Sector Act* to the education service.<sup>3</sup> In line with these principles, the specific proposals to receive priority this round were to be the removal of management positions from coverage, flexible pay structures, integrating the term of the documents into the budget cycle, and low pay adjustments. The suggested strategic approach to be taken in the achievement of these goals was what, in fact, subsequently happened in the round. The SSC proposed

taking and holding the initiative in the wage round by: lodging radical or surprising claims; communicating employer proposals more effectively to staff and the public; and generally ‘stretching’ union resources.<sup>4</sup>

Another comment acknowledged that reduction in staffing levels was not a possibility in teacher award talks as it had been in other sectors of the economy. This highlights the special position the PPTA occupied compared with other unions at the time, in that it

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<sup>2</sup> SSC file ED/3/5, Education Service: Wage Round/Reform Strategy, 28 October 1988.

<sup>3</sup> SSC file ED/3/5, Education Service: Wage Round/Reform Strategy, 28 October 1988.

<sup>4</sup> SSC file ED/3/5, Education Service: Wage Round/Reform Strategy, 28 October 1988.

had the luxury to consider opposing the introduction of managerialism to its sector. The core security of members was not being attacked. Jobs were not being cut, and while ranges of rates were mooted, there was never any suggestion of pay cuts. Concessionary bargaining over conditions did occur, but often through trading off claims.

More controversially, in terms of assessing institutional change through changing values, the paper discusses the vexed question of how the industrial/personnel reforms were to be achieved. Legislation would be necessary, as would changes to the Award. Two options were proposed. Option 1 was to change the law first, in which case the law would take precedence over the contents of the Award. Consequential changes could therefore be negotiated with little difficulty. Significantly, the paper then states

the Government has however, indicated that it sees value in achieving reform by consent and would be prepared to negotiate over its agenda (reserving the right to legislate if need be).<sup>5</sup>

Contained in this proposal are two major issues. One is the core debate at the centre of state sector industrial relations. The juxtaposition of consent with the spectre of legislation if consent is not forthcoming makes transparent the inherent power of government as the employer party towards its employees. The pay fixing system under the *State Services Conditions of Employment Act, 1977*, recently discarded, had addressed the imbalance in power by separating out the role of employer from the role of government (Walsh, 1991a). While successive governments in New Zealand have not stood aside from industrial relations, either in the private or public sector, and have had a large effect on the shape of unionism, it is only in times of major disputes that governments have used their power in this way (Walsh, 1997).

That the Labour Government was prepared to consider such a step in this instance highlights the second major issue. An awareness of the importance of common values to the success of institutional change is implied by the Government's desire to achieve reform by consent. If it weren't so implied, it is difficult to make sense of the Government's insistence on reform by consent, particularly in the face of the PPTA's

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<sup>5</sup> SSC file ED/3/5, Education Service: Wage Round Overview, 30 January 1989.

strong opposition to the personnel provisions of the reforms. The Government had experience of the PPTA's persistence and obduracy and had no reason to believe that consent would be forthcoming. By insisting that the matters be placed in the formal arena of industrial negotiations the Government was risking the possibility that values would not change. Should legislation ultimately have to be used at the end of negotiations, a repressive act towards stubbornly held values, it would make the informal negotiation of perceptions and values that contribute to the stable settlement of a regime more difficult.

A second option was therefore put forward in the briefing paper, the one that was ultimately followed. This consisted of discussion with the unions about a package that would involve a joint approach to government requesting the repeal of all education service law relating to employment conditions and the replacement of these laws with provisions modelled on the *State Sector Act*. The incentive for the unions in this package would be a pay rise.

By January 1989, however, the fact that the implementation date of 1 October 1989 for the *Tomorrow's Schools* changes was looming, and that key financial structures were still not in place, brought about some fine-tuning to the bargaining strategy of the SSC. In another briefing note to the Ad Hoc Committee, the SSC highlighted an increasing concern with the financial risk of ranges of rates until structural change was complete.

The management/personnel regime needs major structural change. The Service lacks genuine employers, effective accountabilities and financial disciplines but abounds with complex regulations, formulae and consultation points. To date the Government has been willing for officials to negotiate with unions over its reforms provided the integrity of the reforms remains intact. However the legislative programme leaves little time to get union consent to change.<sup>6</sup>

The SSC's accountability goals for the round had narrowed and it was clearer about the need for legislation in order to achieve them.

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<sup>6</sup> SSC file ED/3/5, Education Service: Wage Round Overview, 30 January 1989.

- (a) the level of union coverage will probably need to be changed legislatively. The scope of change is simply too big for the NZEI/PPTA to support. Placing management on contracts is a fundamental ingredient of reform;
- (b) ranges of rates would be a very risky venture, even if they could be achieved;<sup>7</sup>

The then Assistant Commissioner Human Resources at the SSC puts the dilemma over pay reform succinctly.

We always had fairly modest expectations about the amount of restructuring that would take place, particularly in the education sector ... There had been no real funding reform and you can't really seriously restructure pay and conditions of employment, the effect of which would be to give Boards more discretion, without their exercising ... budgetary constraint.<sup>8</sup>

This left only one aspect of state sector restructuring to be achieved in the 1988/89 pay round, that of removal of principals from coverage. This made principals central to the pay round and, as we have seen, there was some strain between principals and the rest of the PPTA. As we have seen, contracts for principals were a priority for the SSC because of their fundamental importance to a managerial accountability regime where school principals would be the agents of the Boards. Fixed-term contract employment in that model acts as a mechanism of loyalty and an incentive to perform. In this matter, the SSC was actively pursuing the accountability structures of state sector restructuring.

The SSC claim, when it was tabled, however, contained not only contracts for principals and ranges of rates, but also a raft of items the SSC sought to remove from the Secondary Teachers' Award. This was a deliberate strategy and one in which the SSC signalled its managerial agenda for Award negotiations for several years ahead. The SSC advocate describes it thus:

I think we had a sense of historical destiny as much as the teacher unions did and I think we had a sense of anything that we accepted in that first round without a struggle we were validating and it would become progressively harder for negotiators in the next year to say this is totally consistent with TS. We had to run the argument very pure and very hard even though we knew that in the end we would have to concede in order to get settlements. ... I was tabling those claims as a statement for future negotiations. This is where we're going ... In the 89 round there were statements of long-term

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<sup>7</sup> SSC file ED/3/5, Education Service: Wage Round Overview, 30 January 1989.

<sup>8</sup> Interview, Doug Martin, 15 July 1997.

intent which we believed the government had about wanting to, say, remove management positions out of collective agreements, which went beyond just the principal.<sup>9</sup>

The SSC was aware that the PPTA was likely to mount a high level of opposition to SSC claims in the negotiations. The SSC advocate analysed this as a sign of the PPTA getting used to a new environment in which they had reduced power, an astute observation on the PPTA's approach to the bargaining round.

Part of the backdrop to the '89 industrial negotiations was a distancing of the Minister of Education and the bureaucracy from sector interest groups of all sorts, including the union. The unions, because they had had quite a lot of influence, felt that very keenly. What you had was a sense of alienation and exclusion from decision-making over issues which teachers felt they ought to be involved in. A sense of taking the government on was not just about Award matters, but came out of a sense of total frustration and exclusion. The reason that it hadn't happened in the past, the same level of conflict with the government, was that while you may not achieve what you want through one particular bargaining round, there are a whole lot of other committees and processes whereby you could still address teachers' working conditions.<sup>10</sup>

The Assistant Commissioner Human Resources at the SSC saw the PPTA's opposition to the reforms as an advantage to their goal of containing salary costs.

I found [the approach of the teachers' unions] helpful on the whole. My basic position is that the brief we had from the government was to produce a modest pay-out and I think the fact the teacher unions went out to their membership with all sorts of other issues which were potentially going to dismantle Western civilisation was fine. Quite happy about that. The membership focus was on those issues rather than on the pay issue. Pay became a very secondary issue actually.<sup>11</sup>

## **PPTA Preparation**

The PPTA took ordinary and extraordinary measures in preparing for the Award round. The ordinary measure was consultation with members over the contents of their claim

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<sup>9</sup> Interview, Gerald Minnee, 19 December 1996.

<sup>10</sup> Interview, Gerald Minnee, 19 December 1996.

<sup>11</sup> Interview, Doug Martin, 15 July 1997.

and this occurred in August/September 1988. Once again, the specific items were determined by membership priorities of the Conditions Initiative consultation of 1987.<sup>12</sup>

Extraordinary measures, however, were taken in preparing for the expected claims from the SSC over contracts for principals and ranges of rates. By this stage, the PPTA's defensive position against aspects of *Tomorrow's Schools* had become focused on these two issues. Members were prepared at stop work meetings in December for opposition to the SSC proposals and a campaign in support of this opposition was prepared.

A section of the Executive speech to the December stop work meetings illustrates that the PPTA had positioned itself as defender of quality secondary education against the new proposals. It was displaying no doubts about the values it was espousing. The professional confusion between the quality of education and teachers' pay and conditions can again be seen.

The 1988/89 Award round has already seen a consultation of members and lodging of a log of claims, in spite of the Award not 'running out' till March 31 1989. The reason for the early start has to do with the acknowledged complexity of both the negotiations early in 1989 and the implementation of the conditions aspects of *Tomorrow's Schools*, which is the Government's policy statement on the Picot Report. At PPTA's Annual Conference this year it was decided to mount a campaign 'Making Tomorrow's Schools Work – the PPTA Alternative'. Through this campaign PPTA members would try to conserve the best aspects of secondary education and to avert any proposals which would mean a decline in its quality. It was also acknowledged that there would come a time when members would need to make clear what stand they would take over the attack on teachers' conditions proposed by *Tomorrow's Schools*. THAT MOMENT HAS ARRIVED!<sup>13</sup>

The values and mix of educational and industrial continued in the recommendations passed at the December stop work meetings. Three of the recommendations will be reproduced in full here, as they constituted the PPTA's goals for the round. A fourth related to redundancy and redeployment. The three reproduced here represent an uncompromising stance against managerialist proposals and a commitment to act industrially to defeat them.

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<sup>12</sup> CI88/24, 30 September 1988.

<sup>13</sup> PPTA file 8/3/5(b), Executive speech notes to stop work meetings, nd.

- 1) That because the award should apply to all secondary teachers and because research shows the adverse effects of individualised contracts on education, PPTA oppose individualised contract employment in secondary education.
- 2) That PPTA reaffirm its commitment to nationally negotiated and administered pay scales; and opposes subjective placement of individuals on pay scales including:
  - a) so called merit pay and Teachers of Outstanding Merit;
  - b) differential rates which are not based on objective criteria;
  - c) subject differentials.
- 3) That in support of these resolutions Executive be instructed to prepare a programme of industrial action to be reported to members at stopwork meetings in February. Such action is to be based on the following principles:
  - a) That PPTA advance the educational and professional arguments in any dispute as well as industrial ones;
  - b) That each phase of the campaign have clear objectives and that clear lines of communication and responsibility be stated;
  - c) That the campaign should involve a wide range of strategies to be planned in a series of steps which may include targeted action.<sup>14</sup>

The advocate reported to members that the recommendations were carried overwhelmingly, with many meetings voting unanimously in favour.<sup>15</sup> In fact, the plan of action was complete before the stopworks,<sup>16</sup> although adjustments were made to it throughout the negotiations.

About the possibility of the Government providing for contracts for principals in legislation, the PPTA was sanguine. The transition to the *Labour Relations Act* had been made and the PPTA was going to use it as protection and opportunity to approach the wider educational agenda. The Government itself had placed the reforms in the industrial arena for negotiation. The Government had also stressed the desirability of the new industrial regime, and the lack of threat in this regime. While acknowledging that the SSC would again pursue the agenda it had trialled in the 1987/88 Award round, the PPTA was going to take the Government at its word.

Before the round began, the advocate reassured members:

Any counter-claim by the State Services Commission will undoubtedly contain the Award aspects of *Tomorrow's Schools* which the government wishes to put in place. It is essential that

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<sup>14</sup> PPTA file 8/3/5(b), Executive speech notes to stop work meetings, nd.

<sup>15</sup> CI89/01, 25 January 1989.

<sup>16</sup> HX88/456, 9 December 1988.

members realise that the Award that has just been developed through the process of codification gives *absolute legal protection of existing conditions of service*.<sup>17</sup>

She also promised members that the government would honour the industrial process.

If, for example, members oppose contract employment, it cannot *legally* be forced on us *unless the government were to legislate such changes into place*. This action would however have profound implications for industrial relations. The government invested much time and energy in changing industrial law at the beginning of this year. If it were now to overturn its own approach to industrial relations this would have ominous implications for the democratic process in New Zealand.<sup>18</sup>

In view of the legislated outcome of the negotiations, this appears naïve. Also, the preparation in advance for an uncompromising stance, supported by industrial action, appears to set up a confrontational mode, a mode it would be difficult to back down from. Was the PPTA aware of this? The following comments demonstrate that it was and, what is more, were preparing for a battle against managerialism that would continue for years. One of the Executive members involved in the negotiations commented:

... rather than being naïve, the PPTA knew this was a hell of a battle and it was going to last longer than this round. ... Our sense of the time was about right. We used to have discussions about how dominant this ideology clearly was becoming around the world and a rampant form of it here because it was so unbridled by our size and the nature of our parliamentary system ... and so a sense that we were going have to ride out a decade and that you were planning for the round but thinking beyond it. Can we beat it off this time? How much longer do we have to keep on going? ... there were a lot of people not liking what was happening to society and that eventually if we could hang on long enough, if we could keep education from being destroyed, eventually ... we might get to that stage where the pendulum would swing, or the tide would turn and that enough other people would agree with us, that we would move into a new thing – sort of like it was our job.<sup>19</sup>

The President of the time confirmed this attitude.

I often remember my speech to [the 1988 Annual] conference. The speech was embargoed and it was about the attack of the New Right. It was a miscellany of things that were happening all about ... Lange walked in and departed from his speech notes to refute it and denied there was any New Right agenda and only months later when he resigned as Prime Minister he gave as one of his major reasons for resigning his inability to withstand

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<sup>17</sup> *PPTA News*, 9, 11, October 1988, p.1.

<sup>18</sup> *PPTA News*, 9, 11, October 1988, p.1.

<sup>19</sup> Interview, Shona Hearn, 14 December 1996.



continually all the advances of the New Right. I've always felt on the one hand vindicated, but on the other cheated.<sup>20</sup>

Values were becoming entrenched, rather than changing.

## **The Encounter**

In line with its suggestion that the unions be approached to see if there was a way of dealing with the complexity of the issues other than in formal negotiation, the SSC wrote to the PPTA on 11 November 1988, suggesting comprehensive talks on the wage round and the legislation and regulations that needed to be changed in preparation for *Tomorrow's Schools*.<sup>21</sup> The result of such talks would have been a joint approach to the Government on an agreed package including an agreed Award and pay increase, agreement on statutes and regulations to be revoked, amended, or replaced.

The PPTA turned down this invitation for reasons that were largely historical.<sup>22</sup> One was the experience of the 7% “deal” in 1987 when it had been forced to concur with the CSU in agreeing to restructuring proposals that it, in fact, opposed bitterly. There were still members of the Executive who remembered that deal and were not prepared to trust their employed staff to enter extensive negotiations with the SSC without the protections of the formal bargaining process set down in the *Labour Relations Act*. Secondly, the PPTA had prepared members for the processes of the *Labour Relations Act, 1987* and was convinced that it needed the protection of the conciliation council to deal with the SSC, experience of whom had been less than positive. Thirdly, it knew that the proposals of contract employment and ranges of rates, noted as forming part of the comprehensive talks, would need to be opposed industrially as well as in talks.

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<sup>20</sup> Interview, Ruth Chapman, 27 August 1996.

<sup>21</sup> PPTA File 8/3/5(c), Letter, SSC to Gen Sec, PPTA, 11 November 1988.

<sup>22</sup> CI88/27, nd.

## Stage One: Contracts for Principals and Ranges of Rates

After presentation of the claims and counter claims, the negotiations quickly became an encounter between the managerialist and New Public Management ideas of the SSC and the educational and professional ones of the PPTA.<sup>23</sup> Each took their own perspective for granted and did not give legitimacy to the other. The SSC had the weight of Government endorsement of the principles of state sector restructuring behind it, even though Lange believed education had escaped. The PPTA possessed the weight of membership endorsement for the historical continuity of educational principles under the KWNS. Unfortunately for both, they were forced into an industrial arena to attempt to resolve the differences between these two positions. The Government wished to achieve reform by consent over changes to the regulatory framework that were needed for implementation of *Tomorrow's Schools*. The PPTA was forced to take its educational arguments to the same forum because the *State Sector Act, 1988* and the concept of provider capture had granted its perspective legitimacy only as employees, and not as partners – as they were used to. What was being tested, in fact, was not whether compromise over pay and conditions was possible, but whether there was any compromise between two opposing views of the world. Apart from discussion to find out whether there was, each was prepared to bring the substantial power of their respective parties to force the issue.

Debate centred first on contracts for principals and ranges of rates. The SSC advocates took for granted the principles of state sector restructuring and used the language accordingly. An SSC briefing note to the Minister of Education exemplifies the type of argument that was presented in support of contracts for principals in May.<sup>24</sup>

[It is necessary to exclude senior staff from collective bargaining] to achieve full accountability of senior staff (especially principals) to their Boards of Trustees. This means:

- clearly defining the rights, duties, obligations and expectations of senior staff;
- having a process of assessing their performance against those criteria;

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<sup>23</sup> CI89/03, 9 February 1989.

<sup>24</sup> Briefing note attached to memo, Minister of State Services to Minister of Education, 4 May 1989.

- having rewards and sanctions to encourage high performance and commitment to the board.

The PPTA negotiating team reported to its Executive on the SSC justification for contract employment in similar terms.<sup>25</sup> It was therefore hearing the words of what the SSC had to say. However, in its framework, the justification was unnecessary at best and insulting at worst. For the PPTA, senior staff already had a professional commitment to their rights, duties, obligations and expectations. Rewards and sanctions for high performance were not necessary as teachers performed to the best of their ability anyway. As discussed in Chapters 4, 6 and 7, the assumptions underlying the New Public Management framework were at variance with the assumptions underlying the philosophy of the KWNS.

Correspondingly, for its part, PPTA took for granted the principles of the KWNS educational settlement and attempted to engage the SSC in educational arguments. In preparation for the negotiations, the PPTA had commissioned an analysis of the effect the proposed personnel provisions of *Tomorrow's Schools* would have on education (Munro, 1989). This became known as the Munro Report. Rae Munro was the Director of the School of Secondary Education at the Auckland College of Education at the time. He presented international evidence to argue that many of the personnel proposals would be detrimental to education. In particular, the Report presented the negative effects of using merit or performance pay as a means of teacher appraisal. The general tone of the discussion about removal from coverage of principals was also negative. The report acknowledged that there was a strand in *Tomorrow's Schools* that derived from soundly based theory. This was the affirmation of parental participation in school decision-making at the local level. This support was qualified, however, in that research emphasised the involvement of parents in educational decisions only.

The PPTA had hoped that the production of such a document would have created public debate and largely discredited the proposals. It would then have called for an independent review or audit and the proposals would have been removed from the industrial forum.<sup>26</sup> This would have solved both the problem the PPTA was having in

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<sup>25</sup> HX89/123, 11 March 1989.

<sup>26</sup> HX88/468, 14 December 1988.

finding a forum other than the industrial one, and in being seen to be opposed to reform. It was certainly viewed as an organising tool.

I think we saw it as an opportunity to have an organising tool in the broadest sense, with the community, with schools, with Boards etc. that they would have to react to. I can still remember the negotiations going and putting it on the table. We actually used it at the table and challenged them over various points that they would have to produce evidence that was contrary to this because a lot of it was about the personnel provisions that were in there that were part of the debate in that 1989 round. I don't think we were able to quite distinguish between the professional and industrial. The other side had a clear view which we were never quite able to fathom in a way. They made us a union under the LRA and the ECA finished it off. But it's just not real in terms of teachers' thinking, I don't think. The Munro Report was a way of saying, "where's the evidence?".<sup>27</sup>

The SSC did not engage with any educational arguments. The archives do show that a literature search on merit pay was conducted.<sup>28</sup> It also reported on the matter to the Ministers of Education and State Services and reported that they doubted whether Munro was neutral because he was closely associated with the PPTA.<sup>29</sup> They discredited the Report further by saying that it had been commissioned by the PPTA just before it entered negotiation on wages and before launching a media campaign against the industrial reforms of *Tomorrow's Schools*. The SSC framework thus confined teachers to the industrial relations environment as employees and portrayed the PPTA as opportunistic in its concern for and use of educational arguments. The SSC advocate remarked on this to the President of the Secondary Principals' Association.<sup>30</sup>

Obviously the PPTA has a vested interest in these questions. I am not surprised that it is trying to limit the extent to which employers can hold senior management to account, or discipline negligent staff or deal promptly with cases of teacher incompetence. I am also not surprised to hear the PPTA using irrelevant education arguments to pursue those aims. I do hope, however, that your members will be prepared to look beneath the surface of the PPTA's superficial statements ...

It appears that both sides underestimated the extent to which the perspective of each precluded the possibility of compromise with the other. A PPTA Executive

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<sup>27</sup> Interview, Martin Cooney, 17 December 1996.

<sup>28</sup> SSC file ED3/5

<sup>29</sup> SSC file ED/5/2, SSC to Ministers, State Services & Education, 9 March 1989.

<sup>30</sup> SSC file ED3/5, Letter SSC Advocate to President, SPANZ, 28 April 1989.

member on the negotiating team describes the frustration at not being able to discuss the proposals from an education point of view at the table.

I think we really did believe incredibly strongly that what they wanted would be very damaging. I don't believe that it was just a self-interested thing. We genuinely had a belief that these things would have a negative impact on things that we thought mattered for the national education system. And so intended to oppose it very very strongly. Did the government realise it would be taking on what teachers understood by professionalism, as well as their industrial focus? I would doubt that they did. Certainly it didn't appear that the people across the other side of the table did. Constantly the impression we got from [the SSC advocates] was that they barely wanted to listen to our carefully prepared arguments about the impact on the profession. When you thought about the work and the scholarship that had gone into the Munro Report, their response to it was insulting. And I think that must have been because they had that analysis of us as being purely self-interested and therefore didn't believe that any of the other stuff was anything other than a smokescreen. And so couldn't be bothered taking much notice of it. Because they didn't understand a very important part of our motivation, they underestimated our determination.<sup>31</sup>

The talks stalemated and the PPTA Executive authorised action in opposition to the SSC claims. While the PPTA couldn't engage anyone in debate over the educational consequences of the SSC's claims, it could, however, resort to industrial action in support of its beliefs in an industrial forum. In the whole course of the 1989 negotiations, the PPTA carried out a comprehensive industrial action and publicity campaign, targeting Government MPs, parents and members. Paid and unpaid stop work meetings were held to keep members informed. A strike was held and a strike equivalent day where teachers taught and donated a day's pay to the PPTA.<sup>32</sup> Rolling stoppages and targeted stoppages were planned.<sup>33</sup> The progress of the Award talks and special events like the publication of the *Munro Report* were kept at the forefront of the attention of radio, TV and newspapers. Parents were targeted, with a Free phone Hotline being set up by the Auckland Region of the PPTA. Parents were invited to ring in between the hours of 10 am and 10 pm for a week to discuss their education concerns with secondary teachers.<sup>34</sup> A "narrowcast", the purchase of non-commercial television time, was used by the President to speak to members, ensuring that they continued to identify with the common cause. A video was prepared jointly with the NZEI on

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<sup>31</sup> Interview, Shona Hearn, 14 December 1996.

<sup>32</sup> CI89/11, 15 March 1989; CI89/12, 16 March 1989.

<sup>33</sup> CI89/12, 16 March 1989.

<sup>34</sup> CI89/09, 10 March 1989.

*Tomorrow's Schools* for use by members in lobbying their Boards of Governors and School Committees. An advertisement entitled *Message to Parents* from the PPTA appeared in national newspapers once a week from 17 February until 5 May.<sup>35</sup> The content of the message, while cast differently each week, at first highlighted the negative effects of the proposals and later accented the need for strict national standards of teacher performance and discipline to apply to every school. Regional action committees also set up their own links with local media.

For its part, the SSC took various steps to promote contract employment among principals. The State Services Commissioner accepted an invitation to write an article for *Principals Today*. In the article, the Commissioner addressed the question of whether a principal can be both a professional leader and a manager, and discussed the accountability mechanisms necessary in the new structures. A relationship was built between the SSC and SPANZ, the organisation for secondary principals formed outside of the PPTA. As seen in the excerpt from a letter on p. 229 from the SSC to SPANZ above, this sometimes came near to treating the SPANZ as a contestable negotiating body for secondary principals. Whether or not this was the intention, SPANZ remained as a professional organisation for principals and not a negotiating body.

The parties continued to argue over the issues of contract employment and ranges of rates until a breakthrough occurred in a different forum. While the negotiations of the SSC with the New Zealand Educational Institute (NZEI), the union that covered primary teachers, do not form part of this thesis, it is important to mention them here as the Primary Teachers' Award was settled without the removal of primary principals from coverage. Settlement of that Award occurred on 31 March, while the SSC and the PPTA were still bogged down in arguing about contract employment.<sup>36</sup> The settlement with the NZEI had involved the retention of primary principals under coverage of the Primary Teachers' Award, but with the introduction of ranges of rates for principals as a trade-off. The Industrial Relations section of the SSC wrote to the National Secretary of the NZEI about the settlement, stating that the agreement satisfied Government goals because of the small size of primary schools, because the package included ranges of

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<sup>35</sup> See, for example, *Evening Post*, 17 February, 24 February, 3 March, 10 March, 17 March, 31 March, 7 April etc.

<sup>36</sup> NZEI file 31/1, Award Campaign Newsletter to Members, 10 April 1989.

rates for principals and because “the overall package negotiated between the parties offers the Government fundamental reform of the personnel and industrial regime based on the principles of the State Sector Act”.<sup>37</sup>

Because the PPTA was implacably opposed to both contract employment for principals and to ranges of rates, no such agreement was anywhere in sight. If legislation were to be used to remove coverage from principals, it would now have to be for the secondary service alone. The settlement with the NZEI caused the SSC to consider a way ahead with the PPTA. The SSC informed the Minister of State Services on 12 April that an offer had been made to the PPTA the day before.<sup>38</sup> The offer, while purporting to be that given to the NZEI, actually continued fixed-term contracts for principals, along with ranges of rates for senior management positions. Although this could be read as a signal to the PPTA that the NZEI settlement might be a possibility for the Secondary Teachers’ Award, subsequent comments by the SSC demonstrate that this was never a possibility.<sup>39</sup> The PPTA turned down this offer, without exploring it further.<sup>40</sup> Finally, the SSC removed both claims from the table.<sup>41</sup> A briefing note from the SSC to the Ministerial Ad Hoc Committee on the 1988/89 State Wage Round asked the committee to note that legislation implementing the *Tomorrow’s Schools* personnel reforms, including the removal of senior management from award coverage would be required.<sup>42</sup>

The PPTA, however, read the removal of the claims as its victory and that the Government had relinquished its claims for fixed-term contracts and ranges of rates.

As I recall, our analysis was that the government (a) wouldn’t legislate and (b) couldn’t legislate because it would be a breach of the LRA and the State Sector Amendment Act to do so. So, strategically, our soundings weren’t great in retrospect ... Our analysis was that they wouldn’t and we satisfied ourselves legally they couldn’t, so we felt pretty comfortable saying naff off basically.<sup>43</sup>

The government did, in fact, legislate at the conclusion of the negotiations to remove secondary school principals from the Secondary Teachers’ Award and place them on

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<sup>37</sup> NZEI file 31/1/1, Letter SSC to National Secretary, 31 March 1989.

<sup>38</sup> SSC file ED/5/1, Assistant Commissioner to Minister of State Services, 12 April 1989.

<sup>39</sup> Interview, Doug Martin, 15 July 1997.

<sup>40</sup> CI89/20, 12 April 1989.

<sup>41</sup> CI89/22, 18 April 1989.

<sup>42</sup> SSC file ED/5/1, Assistant Commissioner to Ministerial Ad Hoc Committee, 1 May 1989.

<sup>43</sup> Interview, Ken Wilson, 28/9/96

fixed-term contracts. As the thesis is exploring the process of change, the effect of this on the PPTA will be considered in Stage 3 of the negotiations.

Whatever the separate expectations of the parties were for the conclusion of the negotiations, the claims were off the table with no compromise or change of position or values by either side. The removal of ranges of rates as well as contracts demonstrates that the SSC was focused on reform for principals as chief executives in this round. The NZEI settlement, however, of retention of principals under coverage in return for some flexibility in ranges of rates demonstrated the SSC could live with a limited amount of pay flexibility despite the lack of financial reform in the sector. The Assistant Commissioner Human Resources in the SSC at the time appears to indicate that this resolution would not have been acceptable for a PPTA settlement, because of the larger size of secondary schools.

NZEI was concerned to retain a measure of collective representation of principals and that reflected the structure of their schools, the sheer number of primary schools and the logistical difficulties in the whole heap of Individual Employment Contracts. We tend to think the same way, actually. We see some benefits in separating the managers out from the staff in separate industrial relations but the notion of doing something like 2,000 individual contracts didn't grab us with particular enthusiasm either. So I think the arrangement that was reached, that basically the NZEI in exchange for a collective covering those positions were prepared to give more flexibility over pay, was a good solution for the primary service. I wouldn't assume that that would have been acceptable in the secondary service though. In the secondary service you have larger and more significant employing units, far fewer ... schools, and I wouldn't assume that type of approach would have been on the table for secondary schools in any case. Although the Government did use the settlement with primary to hit the secondary teachers over the head with.<sup>44</sup>

## **Stage Two: Discipline and Competence**

Once contracts and ranges of rates were off the table, the wording of clauses relating to discipline and competence for inclusion in the Award became the focus for the remainder of the negotiations. Once again, the conflicting ideas of managerialism and professionalism were at variance but this time there was a specific task to be achieved. Some wording had to be agreed to replace the provisions of the *Education Act, 1964* and

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<sup>44</sup> Interview, Doug Martin, 15/7/97



the associated *Secondary and Technical Institute Teachers' Disciplinary Regulations, 1969* and the *Education (Assessment, Classification and Appointment) Regulations, 1976*.

The importance to PPTA of what provisions the Award contained relating to discipline and competence was discussed in Chapter 5. These provisions were also of importance to the SSC but for a different reason. Like contracts for principals and ranges of rates, they were accountability mechanisms, the inclusion or exclusion of which was critical to the framework within which each party was operating. For the SSC, criteria and process should not constrain managerial prerogative. For the PPTA, they represented the history of its endeavours to make teachers more accountable, in the way it had defined it. Once contracts for principals and ranges of rates were off the table, discipline and competence were left to bear the weight of the difference between the two approaches.

The specific issue on the negotiating table was whether the content relating to competence and discipline of the *Education Act* and the *Appointments, Classification and Assessment Regulations* (AC&A Regs) should be transferred to the Award. Competence and discipline had separate, clearly defined criteria against which the competence or behaviour of secondary school teachers would be measured. The criteria were linked closely to procedures that provided for involvement of the union alongside the employer in any action taken.

For the SSC, with the NPM focus on the new Boards of Trustees and managerial prerogative over hiring and firing, it was important that the Award contain minimal constraints over that prerogative. This meant that Boards (like private sector employers) should be free to decide for themselves the substantive justification for dismissal and that, provided the principles of natural justice were adhered to, simple procedural steps only were needed in the Award. The SSC argued that this was all that was required to satisfy criteria for justified dismissal in industrial jurisdictions. Personal grievances were sufficient to give individuals redress for personal disadvantage as a result of employer actions. The SSC argued that the PPTA was wishing to advantage its members over other workers by seeking involvement as a union in matters that were the employers' business. It also argued that the current

procedures required a longer time frame for advice and guidance in regaining competence than was either necessary or desirable. The PPTA's emphasis on criteria for both discipline and competence was seen as an attempt to protect its members from being called to account.

The PPTA saw it differently. Teachers were workers responsible for the education of children of the community. There were two ways in which they were unlike other workers. One was that, historically, teachers had been vulnerable to a variety of standards set for them by the community in which they taught. These included the imposition of standards of moral conduct which were not required of other workers. Communities are the site of social norms and conflict. Strong views can be taken by parents about the way teachers live their private lives, because they act as role models for children. If Boards of Trustees as representatives of the community were able to set their own criteria of discipline and teaching competence, the PPTA believed that teachers could once again be subject to standards that represented an intrusion into their private lives. Also, with Boards of Trustees defined as the employer, rather than the Chief Executive Officer, the principal, teachers would be employed by a body that did not necessarily have knowledge of good management practice. Secondly, however, the PPTA believed that because of their contact with children, teachers should have to meet more stringent standards of conduct than other workers. It argued that the only way to marry these two seemingly contradictory approaches was for the Government to set the national standards of expectation for teacher behaviour and competence. Disciplinary and competence criteria would then act as a boundary between what could be expected of teachers in contact with children and in their private lives. Furthermore, the PPTA argued that teachers were also entitled to independent representation alongside the employer in transparently fair procedures that recognised the vocational nature of their profession.

For both parties, the contents of the Award on these matters therefore represented a major difference in approach. As discussed in Chapter 5, the drive for higher standards of teacher quality had formed a large part of PPTA activity since its inception. Its approach to discipline and competence could not be relinquished without a fight. Both criteria and procedures were important to the PPTA.

A sign of the confusion mentioned earlier, namely that the PPTA was not completely clear as to which aspects of *Tomorrow's Schools* it was opposing in practice, was that the opportunity to fight for what the PPTA called national standards was nearly missed. Neither the issue of competence nor that of discipline appeared in the goals for winning the Award round.<sup>45</sup> By the time of the removal of contracts and ranges of rates, the union and its members were tired of opposition and confrontation with the Government. Support for the disciplinary and competence provisions were also harder issues with which to retain membership loyalty than opposition to contracts for principals and ranges of rates. An executive member on the negotiating team highlights the emergent importance of discipline and competence to the second stage of the negotiations. Unusually for Award negotiations, pay was placed in secondary importance. The PPTA's belief in the potential vulnerability of teachers to Board prerogative over standards also shows through. Her comments also demonstrate the PPTA suspicion of principals that had led to the formation of SPANZ.

It must have been after coverage had been set aside, ranges of rates had vanished, and we'd given up priority rights, so we could have settled. Was it worth going on fighting? ... We had been arguing national standards about the other things and while they were still on the table we'd been talking more about them. It was a matter of how much do discipline and competence matter. Also it must have been about whether there was a pay rise available or not and what the trade off was there. I just said that discipline and competence had to be the key and they were more important than a pay rise because a pay rise is in a sense a short-term thing. A pay rise by itself didn't change the whole quality of culture of what you were working in. But if we lost national standards for discipline and competence it was a huge change of culture ... If you don't have national standards for discipline and competence then you are in a situation where a teacher is at the mercy of a principal or Board who doesn't approve of them and that could be for any reason which might or might not fit with the demands of a national system of education. At that point you are basically at the whim of the employer.<sup>46</sup>

Whether or not PPTA should continue to fight over discipline and competence as indicators of national standards in education was referred back to the membership at further stop work meetings. At these meetings, the membership instructed the negotiators not to accept any offer that involved trading away fair and rigorous national standards of performance and discipline, and to insist on the definition of breaches of

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<sup>45</sup> CI89/05, 19 February 1989.

<sup>46</sup> Interview, Shona Hearn, 14 December 1996.

discipline and performance criteria being written into the Award. Teachers were persuaded that these were important issues.

The General Secretary of the PPTA describes the points at issue for both sides and their incompatibility of resolution.

I think the SSC understood very well what we were about, just as they understood very well what they were about and what they were about was to win in one fell swoop a massive change in the approach to the employment of teachers in all respects. That included the issues relating to the standards of teachers and teaching. The vision of *Tomorrow's Schools* may not have been clearly expressed but they clearly saw that the aim or the outcome to be achieved was for Boards of Trustees to take over absolutely the question of standards. Judgement about standards would be made by them without too great a concern as to how a school and Board in Northland might view its teachers and its standards as opposed to one in Central Auckland. It was part of the deregulatory thrust. I don't think there was any necessary misunderstanding. Our goals were in direct opposition on those counts. It just took us forever. The old adage about industrial bargaining – if your negotiating goals overlap the chances are you'll reach some agreement. You don't need much overlap to begin to achieve more. But if there isn't an overlap in goals then you will remain in negotiating conflict. How do you break the impasse? You either, if it's available to you, appeal to a third party ... or in the absence of that kind of structured regime you appeal to the world at large.<sup>47</sup>

The appeal to the world at large by the PPTA was occurring through lobbying of politicians, school Boards and parents in media campaigns, and threatened industrial action.<sup>48</sup> The PPTA even offered to forgo any pay rise at all in return for the inclusion of the criteria. This offer was declined by the SSC.<sup>49</sup>

Over the issue of national standards, the PPTA won the day. National bodies such as the New Zealand Parent Teachers' Association said, "parents do not have the experience or judgement required to set standards for teacher competency and teacher conduct".<sup>50</sup> In the face of public pressure, the Minister of Education issued a statement that national standards were necessary and the SSC negotiators shifted position.<sup>51</sup> They steadfastly maintained, however, that criteria would not be included in the Award.

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<sup>47</sup> Interview, Kevin Bunker, General Secretary, 17 December 1996.

<sup>48</sup> CI89/27, 16/5/89

<sup>49</sup> CI89/25, 24/4/89

<sup>50</sup> *PPTA News*, vol10, no5, May, 1989, p1.

<sup>51</sup> CI89/27, 16/5/89

While not moving rapidly, negotiations inched to conclusion with the PPTA substantially winning the provisions over discipline. Existing disciplinary criteria were attached to the Award with a statement to the effect that the Government had the right to replace them with other national standards. An attachment rather than a substantive provision in the Award made them more easily removed at a later date. This represented a compromise by the PPTA with the SSC position. The disciplinary provisions provided for union representation on a disciplinary committee and a clear requirement for a disciplinary investigation by the employer. The PPTA was pleased with the result.

... we carried forward some of the best elements of the pre-existing jurisdiction and that has enabled the new era of local application of some of these provisions to be managed in a less destructive way. That has been useful. We have been able to maintain, largely through our participation in the processes, a sense of reasonably rigorous standards in competence and discipline which would not have been possible had it been totally abandoned and had to grow up from whatever was put in place. Employment law has shifted around in the meantime.<sup>52</sup>

The SSC, however, wore the PPTA down over criteria for competency. The PPTA was pleased with the competency procedures that went into the Award but finally had to concede on competence criteria. This last was possible only because the Minister of Education was persuaded to intervene by letter. While saying he was not intervening in the negotiating process, he made it clear that the Government was committed to national standards for determining teacher competence but that the Government would decide what those were, thus ensuring the uniform treatment of teachers in the face of local management. This removed the last remaining impediment to settlement. Discussions turned to pay, the stuff of more normal negotiations, and this was dealt with in a few hours, agreeing an extra \$10 per week for basic scale teachers and \$5 per week for those above. Because of the PPTA's intransigence in the face of proposed restructuring, its members received less than those of the NZEI, but also less than they would have received had they been prepared to compromise over principals. This made no sense to the conciliator.

The big question was the principals and taking them out of the document. [They were legislated out.] My point. [The PPTA] must have known because the SSC were telling them, "if you don't give us these, they will be legislated out". I don't know whether [the PPTA] believed they would do it to [them] or not. My view was that the Government was serious. It would cause

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<sup>52</sup> Interview, Kevin Bunker, 17/12/96

them problems so they were prepared to buy a way, but they would inevitably do it. My attitude was that if I was the union, I would sell them as dearly as I could. Because they were going to go anyway. At the end of those negotiations there were some millions still that they had been prepared to spend. So [the PPTA] ended up with a document with the principals still in the system which [they] were going to lose anyhow. I thought this wasn't very bright. Maybe [the PPTA] couldn't make that decision, maybe [they] couldn't sell it to [their] members.<sup>53</sup>

These comments emphasise the priorities set by the PPTA in this round. Retention of coverage for principals took precedence over pay.

The Award was finally settled on 21 June.

### **Stage Three: Legislation of Contracts for Principals**

All that remained to conclude the contest between managerialism and professionalism was for the Government to decide whether or not to legislate contracts for principals. Once the SSC was committed to the negotiation path for the legislative part of education reform, the task became one of persuading secondary school teachers through their union, the PPTA, to change their values from those of the education settlement of the KWNS to managerialism. This did not happen. What the 1989 negotiations demonstrated was that there was little common ground between the two points of view and that the PPTA was not going to shift its position in formal negotiation even for a pay increase.

What was at stake for the Government in deciding whether or not to legislate was substantially the credibility of its negotiating body, the SSC. Throughout the negotiations, particularly at the critical stage when contracts and ranges of rates came off the table, the SSC kept reminding the Government that the SSC strategy in negotiations relied on the ultimate willingness of the Government to legislate.<sup>54</sup> There may also have been a belief that if the PPTA were taught a lesson with legislation, this would help to alter its intransigence in bargaining for the future.

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<sup>53</sup> Interview, Colleen Hicks, 13 December 1996.

<sup>54</sup> For example, SSC file ED3/5, Memo SSC to Minister of State Services, 23 March 1989; Memo SSC to Minister of State Services, 19 April 1989.

The SSC had prepared itself strategically for persuading the Government to legislate. A memorandum of agreement formed part of the final settlement committing the parties to a smooth transition to *Tomorrow's Schools*. The wording prepared by the SSC, binding the PPTA to respect the Government's wishes with respect to legislating contracts for principals was not acceptable to the PPTA. The PPTA therefore took some time to devise a wording of its own which it believed did not commit it to endorse government legislation. The SSC, however, informed members of Government Caucus of the settlement and used the words of the PPTA to indicate that the PPTA had agreed to respect the Government's decision to legislate over the matter of contracts for senior positions.<sup>55</sup> On 21 July, the Minister of Education issued a press release indicating that the Government would legislate to place the most senior secondary and area schools teachers on individual contracts of service from 1 October.<sup>56</sup>

In a letter to the Minister of Education following this announcement, the President of the PPTA expressed alarm and astonishment that the Government should be prepared to override legislatively a properly negotiated Award.<sup>57</sup> As she stated, the Government was now preparing to change the score after the game had ended. The PPTA once again entered into a lobbying programme of MPs, but the SSC as government negotiating body had simply to continue to put its point of view. The assertion from the SSC that the PPTA had agreed in negotiations to refer contracts for principals to government to resolve is found in its documents through until the legislation was passed.<sup>58</sup>

Legislation putting in place contracts for principals was a bitter blow for the PPTA. The President of the time portrays how it felt and inadvertently highlights again the importance of the values the PPTA felt it was defending.

In that bit where we did the memorandum of understanding I believed it was really important not to say legislate ... while acknowledging that the SSC couldn't allow us to have words which said [they] agree not to legislate. I saw the words as face-saving for the SSC. The reason I know that's what I thought is that I still remember the episode where, on a Saturday morning, the

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<sup>55</sup> PPTA file 8/3/5/(c), SSC to Government Caucus, 14 July 1989.

<sup>56</sup> PPTA file 9/4/12, Letter President PPTA to Minister of Education, 25 July 1989.

<sup>57</sup> PPTA file 9/4/12, Letter President PPTA to Minister of Education, 25 July 1989.

<sup>58</sup> Examples are SSC file ED3/5, Speech notes of mover, first reading of *State Sector Amendment Bill*, 1989, 28 July 1989; SSC to Minister of State Services, 21 August 1989; SSC to Mr. Matthewson, 5 September 1989, Aide Memoire SSC to Minister of Education, n.d.

phone went and a reporter was asking what my reaction was to the fact that the Government had legislated principals out of the Award. I felt like somebody had kicked me in the stomach with two feet. I felt the shock and the nausea, like death, really, like the kind of really bad news that somebody has died. It was not at all the kind of reaction of, oh, they've found us out. It was a feeling of betrayal, a feeling of the misuse of power, a feeling that because we had not been pliable and compliant they would show us how they felt anyway. ... that decision was about an exercise of power. ... We did not enter a cosy, implicit deal with the SSC. There was that kind of argument that we needed to be able to present to our members that we had done our best and the government had done it to us. That is not how I saw it at all. We were implacably opposed and we could never have agreed within the Award context. We could never have said we would agree. It was the final clash of the ideologies. They felt something as strongly as we felt and there was no way through the negotiating situation.<sup>59</sup>

A more pragmatic viewpoint comes from the General Secretary who saw the fact that government had to legislate as a victory for the PPTA agenda and its fight over educational principles. He saw the PPTA as having revealed the duplicity of the Government in pretending to negotiate when they were set on a particular outcome from the beginning.

We chose not to come to an accommodation. I can recall [the Executive members] spending hours and bloody hours writing this memorandum. What were we trying to do? We were trying to win the argument, at the table if we could, about whether or not principals would remain part of collective coverage and collective bargaining. In terms of the memorandum, I think that [outcome] was in the minds of the negotiators. ... In the event it was turned against us. I look back now and think that ... if that was what the Government wanted to do, ie separate principals out – make them managers, make them independent contractors to Boards of Trustees, then the way that should be achieved is in an upfront way. So while we railed against the outcome we forced them right to the brink and over. The preferred position for the Government would have been to negotiate an outcome. We just refused to be accommodated.<sup>60</sup>

## Outcomes

In assessing the outcome of the 1989 negotiations, the different perspectives of the parties need to be taken into consideration. In traditional bargaining terms, the PPTA would have to be seen as the loser with a minimal pay rise, less than the going rate in the state sector and much less than the amount it could have achieved

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<sup>59</sup> Interview, Ruth Chapman, 27 August 1996.

<sup>60</sup> Interview, Kevin Bunker, 17 December 1996.



through strategic negotiating away of coverage for principals.<sup>61</sup> The Government, however, was forced into the unusual act of using legislation in order to achieve its goals after failing to do so through negotiation.

The PPTA, however, measured the result by concluding that it had not agreed to what it saw as the worst excesses of managerialism, although the introduction of contracts for principals by legislation was a setback. Subsequent negotiation of a standardised contract for principals, however, between the PPTA and the SSC, effectively created two separate sets of employment conditions for secondary teachers, one for principals and another for all other teachers. Boards of Trustees were given limited discretion only over performance payments. Differences in pay between principals have been minimal. Differences continue to be related to a concern with the size of the school rather than with performance.

As for the SSC, it had settled an Award for secondary teachers with a very small pay increase and thus low cost to government. It had been forced to move away from complete devolution of management and concede national control over the standards for teacher discipline and competence. It had also conceded stronger procedures involving the union than it would have liked. It had nominally achieved agreement to contracts for principals, but without a shift in values and commitment to them by the PPTA. The certain thing was that change had been effected by legislation, not negotiation. The values and attitude towards the reform by teachers remained intact.

The perspectives of the two parties on the outcomes of the negotiation reflect the differences within the negotiations themselves. The PPTA took a long-term view of the outcomes in terms of an ongoing fight and its goals not only for the round but also for education itself. They were not just industrial outcomes at stake for the PPTA:

... from the point of view of the bargaining outcome, given the agendas the Government/SSC had and we had, we achieved a bloody sight more of our agenda than they did of theirs. The real proof of that was that they had to use the legislation vehicle to achieve some of their industrial objectives, witness the removal of principals from collective coverage, witness the *Education Act* bowled over the old regulatory framework. Whether that was intended or not, the old disciplinary offences were legislated out of existence. We managed to have, and still have in the

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<sup>61</sup> Interview, Colleen Hicks, 13 December 1996.

Contract today, the offences as listed in the 1964 Act. So even over a longer term we ended up better off with the goals we set ourselves than the government did. We have been truer to our goals over a long period of time than the Government has. ... The issues were huge and the vastness of the reform process was enormous – it was even bigger than we had analysed and we took it on. In hindsight others will judge whether we were right or wrong but we took it on because of what we believed in and what we believed in was the necessity for there to be an effective education system and that meant effective means of maintaining the professionalism of the teaching profession.<sup>62</sup>

One of the Executive members was clearer even than this.

On a macro-level, I think we won, government lost in my view. The politicians got a hell of a mauling in 1990. I think we played a bit of a role in that. Teachers pulled out of Labour Party organisations and such. It had the effect of aiding the demise of the Labour Party.<sup>63</sup>

The SSC viewed the debate solely in industrial terms. The wider implications for the future of education in having teachers not committed to the reforms did not form part of its perspective.

It took a long time but it had to and I don't have a problem with historic and complex deals taking a long time. The real test is were they enduring? I think the basic framework we sketched out in that round has held together remarkably well. There were a lot of concerns about the ability of the Boards of Trustees to cope – victimisation this and dreadful process that – but I think the numbers of fallout in that sense has been remarkably low and most of the agreements – the framework basically worked. People found a way of filling any gaps we left. I don't think any serious errors were found ... I think the time it took was time well invested. If I had my time again I don't think I would have done anything differently.<sup>64</sup>

The conciliator saw neither side as achieving an industrial win and highlighted the exhausting process.

[The SSC] were very keen to get what they wanted out of the system. I don't think they did get what they wanted out of it. They ended up having to legislate. At the end of that process, they would not have called it a win. They were relieved to get settled. They were exhausted, but didn't feel as though they were victors. That much was obvious. They settled for what they could get. I don't know whether [the PPTA] felt they'd won anything. I don't think [they] did. I don't think either side felt they'd got what they wanted. I wouldn't have thought either of you went away feeling triumphant. The SSC certainly were not triumphant. They had begun the process, that was all.<sup>65</sup>

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<sup>62</sup> Interview, Kevin Bunker, 17 December 1996.

<sup>63</sup> Interview, Martin Cooney, 17 December 1996.

<sup>64</sup> Interview, Gerald Minnee, 19 January 1997.

<sup>65</sup> Interview, Colleen Hicks, 13 December 1996.

## Conclusion

In rounding off this chapter and preparing for the concluding discussion in the next, several points bear emphasis. The first is that there were really only four issues discussed in over 34 days<sup>66</sup> of formal negotiation and more of informal negotiation. As was demonstrated by the final recourse to legislation, the matter of contracts for principals was non-negotiable for both the SSC and the PPTA. After contracts and ranges of rates were removed from the table at the end of Stage 1, the PPTA was adamant that as much as possible of the previous system relating to teacher competence and discipline would be retained in the Award. The SSC was equally adamant that as little as possible would be retained. That it was those four issues that were discussed was not accidental. For both parties, they were symbolically and actually representative of a point of view towards the way in which personnel management in schools should be carried out. The SSC point of view stemmed from the principles of New Public Management, with certain assumptions and principles of public sector management. Assumptions of NPM were the self-interested nature of the individual and the need for incentives and sanction to produce high performance. Also, teachers were workers who were not sanctioned to participate in education policy. The PPTA point of view had been developed in the education settlement of the KWNS, with assumptions and principles stemming from that. The emphasis here was on societal integration of workers into the total state project, with education as a societal good as much as it was an individual good.

All four issues under negotiation here represented competing approaches to accountability. Each party was convinced of the superiority of its method of accountability. Each found the other side's approach anathema. The exhaustive and exhausting nature of the encounter demonstrated the utter incompatibility of the two approaches. The PPTA was prepared to forgo the usual rewards of bargaining in terms of pay and conditions in order to defend an approach to education fundamentally at odds with the one it had known. For well over 30 days, the two parties struggled to find some ground for compromise that is usually the stuff of bargaining. That they failed

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<sup>66</sup> CI89/35, 15 June 1989.

provides evidence that the approach to the operations of the state implemented by the Fourth Labour Government was radically different from the one that went before. While this has been acknowledged from the beginning of the change, the 1989 negotiations between the SSC and PPTA provides an opportunity to appreciate the scale of incompatibility and to look at the implications. These will be discussed in the next chapter.

Relatedly, the values of secondary teachers were left intact. They positioned themselves to fight against proposals that they believed would be detrimental to secondary school education, as they knew it. In so doing, they not only opposed the new ideas, but also refused to reach any accommodation with them. It was an ideological battle. By the end of the negotiations, the KWNS educational settlement was at an end along with the legislation and regulations that had supported it. But the values of the settlement were not forgotten and entered the structures of *Tomorrow's Schools* with the teachers. The long-term consequences of this are beyond the scope of this thesis, but the short-term effects will be discussed in the next chapter.

Principals, according to the theories of NPM, were re-positioned as Chief Executive Officers with fixed-term contracts ensuring their loyalty to the Boards of Trustees. There had been sufficient tension between many principals and the PPTA for a separate organisation of principals, the Secondary Principals' Association of New Zealand (SPANZ), to be formed. The existence of SPANZ was an irritant to PPTA throughout the negotiations, particularly when the Government and the SSC consulted it as the voice of secondary principals. From the end of negotiations, however, SPANZ did not seek to become the bargaining agent for principals. If there was any shift in values through the negotiations, the Government appears to have resiled from some of the principles of NPM. In a briefing to Caucus, the Minister of State Services endorsed the professional identification of principals with teachers and stated that the need for contract employment was not driven by a private sector model.

Finally, an observation that while the values of secondary school teachers had not changed by the implementation date of *Tomorrow's Schools*, it would be more difficult after this date to use industrial relations to trace changes in values of teachers. This is because the industrial relations arena after this date was no longer the primary point of

concentration of negotiations over institutional change. The informal negotiations at the local level between a new and an old world became equally important from that date. However, the PPTA's trajectory as the site of teacher opposition to other aspects of education restructuring within a NPM framework continues as an interesting point for analysis over such issues as teacher opposition to salaries bulk funding. The implications of this will be discussed in the concluding chapter.

## Chapter 11

### Concluding Remarks

#### **Introduction:**

This thesis has traced the process by which secondary teachers were repositioned in the state project of education during a period of restructuring of the entire New Zealand state. In doing so, the analysis was informed by the regulation approach view of institutions and how they act. In particular, the view has been adopted that institutions are composed of dynamic social relations, continually in interaction, and that major change occurs when tensions within these can no longer be contained. In examining the specific case study here, both continuities and discontinuities with the past through a specific time period have been traced in order to uncover the process by which change occurred.

Further, the means by which this process of change was set in motion and perpetuated has been traced by analysis of the introduction of a new ideology or discourse of education, policy documents using this discourse, the passage of new laws affecting both the administrative and industrial context of teachers, and formal industrial negotiations that displayed some tension between the values of the past and those of the interacting discourse. The conclusion at the end of the process was that while the partnership approach to education of the KWNS, involving the Department of Education and secondary school teachers, and sometimes Ministers of Education, had been dismantled, the values of teachers towards their work and towards secondary education remained essentially unchanged from those of the KWNS at the time of implementation of new education structures in 1989.

In concluding the thesis, this chapter returns to the earlier theoretical discussion in Chapter 2 and assesses the contribution this thesis has made by asking a series of questions. First, was the regulation approach useful? Second, has the exercise contributed any insights to the 'black box' that Dale identified in 1990? Third, did

using industrial relations as a tool of analysis contribute any insights? Fourth, has the thesis contributed further to the substantial number of different literatures drawn on, in particular those relating to state sector and education restructuring? In doing so, the discussion will include the possible implications of the lack of consensus over a value system for the restructured education system. This can indicate potentially fruitful avenues of ongoing inquiry.

### **The Utility of the Regulation Approach for this Case Study:**

As illustrated in Figure 4<sup>1</sup>, the case study was situated in a complex interweave of political and public policy events. Three separate but interdependent sets of restructurings - state sector machinery, state sector pay fixing and education - as well as continuities and discontinuities with the past all had an effect on the events portrayed here. Also contributing to the complexity was a change in the economic and political outlook of the New Zealand Government as it steered the country from one perspective on the role of the state within society to another. At the outset of the exercise it proved difficult to find a theoretical perspective that could treat education, state pay-fixing and machinery of government issues simultaneously in a coherent fashion without losing complexity. For example, education restructuring has been analysed as a subdivision of state sector restructuring or in its own right. I was looking for a perspective that treated the interdependence in its own right, rather than having to privilege one set of restructurings. The interweave, rather than each one separately, was a combined complexity that was lived through by the actors in the case study.

The regulation approach allowed a framework of the widest possible perspective while, at the same time, allowing specific focus on just one set of events. This allowed the possibility of referral to influences from outside the restructurings in a coherent fashion while not losing the specificity necessary to present the argument. An example of this was private sector industrial relations which was a shadowy presence throughout the thesis, emerging in the detail of the *Labour Relations Act, 1987*. Likewise, economic restructuring by the fourth Labour Government framed the events described and

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<sup>1</sup> Chapter 3, p 42

economic considerations became an imperative in such matters as instructions to the SSC to contain pay rises.

The regulation approach gives legitimacy to study of particular places in particular times. The words of Jenson (1991:47), as quoted in Chapter 2<sup>2</sup>, are apposite and enabled the analysis to take account of the PPTA and its members as actors in the historical events, shaping history as much as being acted upon.

The regulation approach, through the twin concepts of regime of accumulation and mode of regulation, portrays institutions within the economic, political and social complex as mutually reinforcing or supporting in a stable regime. Figure 5 thus allowed a connection between education, the economy, citizenship and the individual to be made and used as a tool for analysing complex shifts in the state's approach to these. Chapters 4, 5, 6, and 7 related the shift brought about by policy documents to a greater emphasis on education in direct support of capital accumulation, including the labour market. The concomitant shift away from the welfare state and from emphasis on citizenship as a function of education highlighted a fundamental shift in what would now be required of education. By the end of the events described here, however, the new educational structures and values that would contribute to the provision of a social climate conducive to the continuing expansion of capital accumulation and the legitimisation of state processes and its own role in them<sup>3</sup> were not yet clear. This lends weight to the hypothesis that at this stage in New Zealand neither a new political settlement nor a new educational settlement had occurred.

In looking for possible disadvantages in the regulation approach, it is difficult to identify weaknesses without also identifying strengths. The theoretical perspective allows for the inclusion of other research and approaches. For example, the ideology and approach of economic rationalism can be traced to its common historical roots with that of welfare state capitalism. Economic rationalism can therefore be treated as a continuity with the past as well as a discontinuity. This is a strength in an environment where the changing state in New Zealand has aroused polarised political viewpoints. Economic rationalism has sometimes been portrayed as imposed on New Zealand by the

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<sup>2</sup> p. 23.

<sup>3</sup> Levels 2 & 3, Figure 5, p 63.



strength of an ideology and its political adherents. The strength of the regulation approach is that it can be portrayed as arising from within the tensions existing in the welfare state, rather than as an alien force.

It could be argued that a weakness of the regulation approach is that it takes too broad a perspective. This, too, can be regarded as an advantage, however. For example, the strong commitment of the PPTA to disciplinary and competence procedures is an essential part of the argument. This required a discussion of the minutiae of detailed procedures. To explain why these procedures then became the centre of an ideological struggle at a negotiating table required a shift to the broadest context of the KWNS and political economy. The regulation approach assisted in this.

In assessing the regulation approach for the purposes to which it has been put, therefore, it is argued that the regulation approach allowed for maintaining focus on a detailed argument while also allowing for increased complexity.

### **Dale's 'Black Box'**

Reference was made in the theoretical chapter to Dale's 1990 discussion of the regulation approach as applied to education. Figure 2<sup>4</sup> reproduced his diagram in which he situates education within the mode of regulation. He poses questions of the regulation approach as to the relationship between accumulation and regulation. How does one bring about change in the other? Why should institutional change tend in the same direction? In the case of education, what is the relationship between changes we know have occurred in the economy and regulation of it and changes in education policy? Dale has called the relatively little we know about these questions as the 'black box'. This thesis has attempted to address the process that lies within that black box. The conclusions from the case study will be related to Dale's problematic. Dale suggests further that the role of the state must be taken into consideration in establishing the connection between accumulation and regulation. He identifies as the most promising line of inquiry that of combining consideration of the role of the state with insights provided by the study of ideology and discourse.

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<sup>4</sup> p 28

This has been the approach taken by this thesis. In New Zealand, the state provided the impetus for deregulating the economy and for altering policy directions in the operation of the state and its involvement in social services. Through all the changes a strong, coherent ideology or philosophy ensured that policy changes were made that mutually reinforced one another. According to Dale's triangle of tension, that binding ideology legitimates a particular regime.

In addressing the black box between Levels C2 and D1,<sup>5</sup> this thesis has attempted to show that the state in this particular instance was less coherent than has been portrayed. In order to do so, secondary teachers have been assumed to be part of the state in that education policy established by any particular government must in part be operationalised in the relative autonomy of the classroom. The case study demonstrates that at the point of implementation of education reforms associated with *Tomorrow's Schools*, teachers were not committed to the ideology adhered to in other parts of the state. Their commitment was still to the values and ideology of the KWNS.

In applying the findings of the thesis in relation to Dale's black box therefore, the following points can be made. First, they reinforce the idea that the state in New Zealand provided the policy connections between accumulation and regulation. What has been portrayed here, however, is that in education there were different parts to the state that provided some contestation of the policy directions. The Treasury and the SSC through their published work and advice supported the Douglas wing of the Fourth Labour Government. The Department of Education was silenced by accusations of provider capture and sidelined from the implementation of new policies in education. By the second term of this government, however, David Lange was mounting a challenge to the dominance of economic rationalism in government policy. As Minister of Education, he believed that education had taken a different direction from that of economic rationalism. As we have seen, while aspects of the reform did differ from others, particularly in the level of devolution, the policy proposals of economic rationalism were not incompatible with those of *Tomorrow's Schools*, and education reforms in schools were increasingly shaped in that direction. The case study

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<sup>5</sup> Figure 2, Chapter2, p 28.

demonstrated that not only were the teachers in opposition to the educational direction proposed by others in the state project, but that they were prepared to challenge the Government on the reforms. They remained of that view into the implementation stage of the reforms.

While there was contestation within the state, however, the various components interacted to bring about institutional change. This was achieved by the dissemination of an ideology, policy documents and legislation, in succession. It has been seen (Chapters 6 & 7) that policy documents on state restructuring at the time demonstrated the coherence of the principles of New Public Management, with the possible exception of *Tomorrow's Schools*. The policy recommendations of this document, however, were sufficiently general that officials could eventually manage the education reforms to conform to the same principles as others. Laws and regulations put the policy documents into effect. The law was also used to impose one of the basic principles of New Public Management on the recalcitrant teachers - that of fixed term contract employment for principals or the Chief Executive Officer of secondary schools.

The findings of the thesis demonstrate that the values of the teachers themselves did not change. The ideology displayed in some parts of the state did not extend to the relative autonomy of the classroom. The implications of this in terms of the regulation approach is that while change was occurring in both the regime of accumulation and the mode of regulation, by the end of 1989, the time period of the case study, stability had not been achieved in terms of institutions mutually reinforcing each other. The implication is that the education project had not yet achieved an equivalent stability to that of the KWNS.

The implication of this for education was that the values practised and communicated in the relative autonomy of the classroom remained those of the KWNS. While some principals had embraced school based management, the interaction between them and the Boards of Trustees and their staffs was carried out within a strong remnant of the KWNS. The level of devolution of responsibility for school administration to parents meant that the school as a whole was relatively isolated from daily interaction with the new ideology. The *State Sector Act, 1988* had brought about the end of teachers' collective participation in education policy. Partnership was asserted by policy to be

between parents and the Government and Ministry of Education (*Administering for Excellence*, 1988). The implication of this was that teachers' knowledge of what went on in the classroom was not available in forums where education policy was being decided. It could be expressed collectively only in the industrial forum.

The implication of this for the development and shaping of a binding ideology for schooling is profound. Schools education, as part of the mode of regulation, was now cut off from regular contact with the new ideology that informed many other parts of the state. While the central institutions of the new educational structures were operating according to the principles of economic rationalism, policy implementation was in the hands of school Boards of Trustees which must rely on guidance from the principal and the teachers. Teachers, with their different values, had no means of "negotiation" with the new ideas to bring about alignment and mutually reinforcing coherency.

In summary, Dale argued that for a regime to become stable, institutions must not only promote the conditions for it to do so, but they must also ensure loyalty. In this particular case, the loyalty of the teachers to the state project was absent. The answer to my original research question of how does change occur must be, in this instance, not all at once, it takes time, and that the change may not be in the direction that was intended. For schools, the Fraser myth continued into the new regime, one which made it difficult for the myth to change due to the isolation of teachers in their new positioning.

### **Using Industrial Relations as a Tool of Analysis:**

It is difficult to think of another means of arriving at the conclusions of this thesis other than study of the ideological conflict that was displayed throughout the Long Negotiation, but most transparently in the 1989 negotiations. To a certain extent, the deploying of industrial relations in general and bargaining in particular, as a heuristic device has been accidental. The first attempt to explain the conflict of the 1989 negotiations in this thesis was confined to conflict between understandings of accountability only. By placing them within a regulation approach with a longer historical setting, however, the 1989 negotiations can be seen as the culmination of an ideological battle with ideological consequences. Chapters 4, 5, 6, and 7 are necessary

components for an appreciation of the two ideologies that were interacting in New Zealand government policy and education at that time. But it was in the 1989 negotiations that the incompatibility of the two approaches could be demonstrated.

No attempt is made here to generalise about the usefulness of using industrial relations as an heuristic device. As explained in the course of the thesis, there were circumstances particular to that particular union and the wider political context in which the Long Negotiation took place that made it useful here. It would be interesting, however, to investigate further as to whether other bargaining sites yield useful data about the work and social context in which negotiations take place.

As discussed<sup>6</sup>, bargaining combines communicative or discursive interaction with a work setting. If an assumption is made as to the basic conflictual nature of bargaining, as in a Marxist perspective (Hyman, 1990), a set of negotiations acts as an opportunity for each to deconstruct the meaning of the 'other'. An analysis of meaning then becomes an analysis of material practice, rather than remaining at the level of ideas alone.

There is more to be said about the practice of state sector industrial relations when looking at these conclusions. It has been observed<sup>7</sup> that in imposing a bargaining relationship between different parts of the state, (which I have argued teachers are part of) participants in the common project of the state become antagonists. Thus, the economic rationalist approach that sought to reposition teachers as simply employees rather than partners in the education project has created an anomalous situation where the very people on whom the government relies to execute education policy are not committed to the new value system. Had the schools sector moved to bulk funding and commercialisation with localised or regionalized bargaining of some sort as in the tertiary sector of education this might not have mattered so much. But if, as the Assistant Commissioner Human Resources in the SSC during the Long Negotiation suggests, full site-based bargaining for individual schools was always out of the question, the level of devolution of schools education has meant that an economic rationalist solution of teachers having a voice only through industrial relations has

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<sup>6</sup> Chapter 3.

<sup>7</sup> Chapter 2.

perpetuated the instability of 1989. This lends credence to Lange's assertion that the reforms of *Tomorrow's Schools* were different to those driven by New Public Management assumptions. In an otherwise enterprise-based culture of industrial relations in New Zealand, the schools environment of national collective contracts and national bargaining structures is an anomaly, along with some others that have retained national industrial documents.

From the perspective of a regulation approach, however, this situation can continue for as long as this and other institutions can continue absorbing the tensions. It is interesting to note that as this thesis reaches conclusion, another prolonged industrial dispute involving the PPTA has been taking place. This time, the industrial forum has been the only one in which teachers could express concern about assessment of students and the workload involved. Again, however, while workload might be regarded as the proper material for bargaining, employers at individual school level have by and large supported the teacher action against the central employer for negotiations, the Ministry of Education.

In summarising the effects of the Long Negotiation in 1989, the PPTA continued as a strong union, albeit with some loss of principal members. The value system of teachers remained that of the Fraser myth of the KWNS. The voice of the PPTA collectively had been removed from an input into education policy and confined to the industrial arena only. This combination of isolation of values in an education system where values are communicated in the classroom remains an instability in the state education system.

### **Contribution to the Body of Knowledge**

As indicated in the introduction, this thesis made use of a number of different literatures related to the restructuring years of the fourth Labour Government during 1984-89. It is in the juxtaposition of these, combined with methodology derived from the regulation approach that any contribution has been made. Also bearing on aspects of the study have been other literatures that have been used when relevant. Where possible, in the course of the study, potential lines of inquiry arising from the argument have been indicated at the time. Examples of this are the treatment of the concept of

professionalism and an indication that the argument might shed some light on the correspondence theory of Bowles and Gintis (1976).

The case study has been situated within state sector industrial relations. The assumption made that teachers are part of the state and their commitment essential for implementation of education policy has highlighted again the uneasy nature of state sector industrial relations, in the education sector at least. Walsh (1991a) has drawn attention to the dilemma of all governments in reconciling their twin roles of legislator and employer. The argument of this thesis has been that the nature of bargaining in the state sector sets up an antagonistic relationship between different parts of the state. Before 1988, the partnership approach to education of the KWNS provided a compensating mechanism for collective teacher input. While governments since 1988 have invited selected individual teachers to participate in policy advice from time to time, this is a different matter from structured input from teachers. This means that education policy no longer takes account of what is happening in classrooms as well as the macro needs of the state.

As long as teachers are treated as employees only, rather than an integral part of the state project of education in a continuing state-funded and regulated system of schools, government has closed itself off from a source of information and practical guidance on how their policies impinge on the classroom. While it can be argued that the PPTA became arrogant and dismissive of other points of view on secondary education before the events of 1987-89, their confinement to the industrial sphere means that their alternative view can be expressed only in industrial ways. The alternative values towards education in the school and the classroom have already been highlighted. While the concept of provider capture produced a short-term solution in education, stability in education industrial relations has not yet been achieved.

One further point before industrial relations is left. The state sector was placed under the same industrial relations legislation as the private sector by the *State Sector Act, 1988* on the assumption that the state should be run according to private sector principles. The ensuing *Employment Contracts Act, 1991* had a profound effect on the practice of industrial relations in the private sector, particularly in decollectivisation and the move to enterprise bargaining (Harbridge, 1993). While the *Employment Contracts*

*Act* certainly made it more difficult to gain pay rises in the education sector, it could be argued that the continuing high voluntary membership of the PPTA, the issues of teacher opposition to bulk funding and the issues relating to values and voice set out above have had more effect on the stability or otherwise of industrial relations in the education sector than has the *Employment Contracts Act*.

The insight of the thesis with regards to the values of teachers being left untouched is one that may be applicable elsewhere in the state. While the claim that the events described here can be generalised to employees elsewhere in the state is not being made, the question of what happened in other parts of the state as new values encountered the older ones appears an interesting one. As has been seen, the teachers' union described here, in part because of its history of success in recent years of the KWNS, adopted a particular public position towards the reforms that was sufficiently transparent to allow of the analysis here. The possibility of applying a similar analysis to the NZEI during the same time period was established in Chapter 3. Both teachers' unions were opposed to many aspects of the reforms because of their incompatibility with education as they saw it. The view of the regulation approach on the ways in which institutions act (Boyer, 1990:44-45) is that a compromise is reached, after negotiations, as institutional change occurs. Many state unions during this period entered similar, and sometimes more gruelling industrial negotiations, particularly where jobs and pay and conditions expectations were concerned. Compromises had to be reached and were. The contribution these negotiations contributed to shifting values and/or what values were left untouched appears a fruitful line of inquiry.

Finally, a summary is made of the contribution of the argument of the thesis to theories of education restructuring. The series of industrial negotiations in 1987-89 have been used to track the disestablishment of the educational partnership and the values of the KWNS with regard to the education settlement. The negotiations were exhaustive and established an absolute incompatibility of views between the values of the KWNS and those that the government agents were communicating as the new ones for a restructured education system. This incompatibility meant that the values of the earlier KWNS education settlement were not overcome or forgotten and entered the structures of the new regime along with the teachers. This, combined with the lack of collective voice for teachers once the KWNS education partnership had been demolished, meant



that the structures of schooling were left unstable, with no means of dialogue towards a greater harmony of values.

I attended a conference of educational researchers and teacher unions in late August 2002 as this thesis was being finished. It concluded on the note that the statement of values expressed by Fraser in 1939 still had currency as the vision that teachers struggled to attain. It was suggested that returning Fraser's statement of values to centrality and opposing it to the neo-liberal vision might best advance the research task. This thesis serves as an introduction to that task.

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## List of Interviewees

The following were interviewed for the thesis. They are given the designation they held at the time of the Long Negotiation or just before.

Name	Designation	Date Interviewed
Kevin Bunker	General Secretary, PPTA	17 December 1996
Ruth Chapman	President, PPTA	27 August 1996
Martin Cooney	Executive Member, PPTA	17 December 1996
Shona Hearn	Executive Member, PPTA	14 December 1996
Colleen Hicks	Conciliator	13 December 1996
Russell Marshall	Minister of Education, 1984–1987	13 February 2002
Doug Martin	Assistant Commissioner Human Resources, SSC	15 July 1997
Gerald Minnee	Director, Industrial Relations, SSC	19 December 1996
Bill Renwick	Director-General of Education	5 July 1995
Ken Wilson	Advisory Officer, PPTA	29 August 1996