

Bursaries, jobs and the 1982-83 Summer: Discussion

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ABSTRACT

It was the fear of the three national student/trainee bodies that the 1982-83 summer would prove to be an economic disaster for many thousands of students, and that this would in turn have negative consequences for the principle of open entry to tertiary education. A study was mounted to establish what in fact happened to whom over that summer, with a view to using the information obtained to influence subsequent government policy regarding tertiary education. My concern in this present paper focuses on the connections between research and the policy making process. To this end I restate briefly the major findings and offer a modified discussion of the implications of these data for the question of access to tertiary education - particularly with respect to gender, ethnic identity, class, age and type of tertiary institution. Apart from this limited overlap the two papers are distinct. Consequently any person interested in the original research is directed to the earlier paper.

Introduction and Background

The Student Community Service Programme (SCSP) was created in 1977 by the National government in response to increasing unemployment among students and the general public alike. The scheme was intended as a means both for enabling tertiary students to gain employment over the summer (as a basis for the savings required by the government's grant-in-aid bursary scheme) and also for keeping relatively well-qualified students out of competition in the labour market with the generally less well-qualified structurally unemployed. In addition, an intended third aspect - service to the community, largely in conjunction with community organisations - was present. This aspect has always been valued by student and teacher trainee bodies. However since the government has consistently denigrated the work done by students for community organisations it seems unlikely that this third component could ever have been a serious government objective. In our view it was simply a political diversion from the fact that the government had (and still has) no solution to the problem of (especially youth) unemployment.

During the summer of 1981-82 government ministers were instructed by the Cabinet "razor gang", headed by John Falloon, to cut departmental expenditure by 3%. At this time SCSP was costing \$26 million annually. Despite considerable effort by NZUSA to preserve the scheme by way of lobbying, negotiation and submission, the government scrapped SCSP in June 1982.

It was the fear of the three national student/trainee bodies that the 1982-83 summer would prove to be an economic disaster for many thousands of students, and that this would in turn have negative consequences for the principle of open entry to tertiary education. A study was mounted to establish what in fact happened to whom over that summer, with a view to using the information

obtained to influence subsequent government policy regarding tertiary education. A full account of this study is presented in Waghorne (1983b) and is available from NZUSA.

My concern in this present paper focuses on the connections between research and the policy making process. To this end I restate briefly the major findings and offer a modified discussion of the implications of these data for the question of access to tertiary education - particularly with respect to gender, ethnic identity, class, age and type of tertiary institution. Apart from this limited overlap the two papers are distinct. Consequently any person interested in the original research is directed to the earlier paper.

Discussion

NZUSA had predicted that with the abolition of SCSP the 1982-83 summer would see about 10,000 students/trainees at risk of being unemployed throughout the summer. The data established in the study indeed show that approximately 10,000 full-time-student equivalents were unemployed throughout the summer. It is clear that this translates into a much larger number of people who had some serious impairment of their earnings and savings over the summer. Given that these savings are fundamental to the grant-in-aid philosophy of the Tertiary Assistance Grant (TAG) it is of concern to NZUSA that the effects of this summer be examined; both in relation to their impact on access to and success within the tertiary education sector, and also in relation to the process of policy formation.

The unemployment and lower savings achieved by students and trainees over this last summer were not spread evenly across the tertiary population. It is clear that women were able to work, earn and save less than were men - and significantly so in the case of savings. This is largely the result of two factors - their shorter work time over the summer and the occupational groupings from which they largely obtained their earnings. Both of these are amenable to affirmative action policies. In most cases Job Search Centres adopted policies of affirmative action. However it is clear that they were by no means fully successful.

It was hoped that during 1983 intensive campaigns could be organized on campuses with two aims in view: first, to provide skills (such as the obtaining of heavy transport licences) for women in areas of employment which pay better wages; and second, to encourage women to apply for non-traditional jobs. The latter task is easy enough since students' associations have access to their own newspapers to feature such material. The skills acquisition aspect is more difficult, however, since it requires resources (trucks and teachers) not necessarily possessed by students' associations. Efforts to obtain assistance through the Works Skills Development Programme have proved unsuccessful and it is not certain that all students' associations will be able to proceed on their own in this matter. Happily, the national job search operation has improved its information base and confidence in 1983 and it is quite possible that affirmative action policies will enjoy greater success in 1983-84.

Many of the comments made about sexism in the marketplace are not specific to students/trainees of course. Linkages between women students/trainees (and their associations) and other sectors of the women's movement will prove essential in breaking down the barriers that all women face for 12 months a year and not simply during sexist summertimes. The same, in many ways, goes for racism - the data in this study show that Maori and Pacific Island people faced much higher unemployment rates than did other ethnic groups. Although no data on savings or earnings by ethnic identity are provided, it is very likely that they would follow the female pattern of being low, in line with their unemployment problems.

Age presents a clear illustration of the linkage between earnings, savings and bursaries. While the data show that older students earned as much or more than younger students, their savings were lower - in fact, disappearing if a dependent spouse and/or child(ren) are involved. This is supposedly covered by the hardship provisions of the TAG. The evidence currently available to NZUSA from the Department of Education is that it is almost entirely students/trainees with

dependents who received the hardship grant of either \$5.00 or \$10.00 per week in addition to the \$27.00 Tertiary Study Grant and \$23.00 Accommodation Grant. Since \$10.00 a week for the 37 weeks of the university academic year yields only \$370, this will still leave most of these people with a deficit of over \$300 compared with other students/trainees as well as higher outgoings. A few of these people will have qualified for the \$43.00 Special Hardship Grant instead of the \$10.00 Hardship Grant, but our impression is that the numbers are extremely small. Comments below will indicate whether the “advantage” currently possessed by younger students/trainees will continue if youth rates are forced into awards.

The other major disparity is in the area of institutional affiliation. It is not the intention to argue that university students are well off, but there is no doubt that in comparison teacher trainees and technical students are in a parlous state. Most of this comes from their longer academic year, resulting in a shorter earning period over the summer. It is difficult to see how this can meaningfully be addressed without opening the possibility of a differential bursary system which gives to each according to need. This strikes the author as a reasonable objective. One of the arguments likely to be advanced against such a differentiated bursary is that to admit need as a criterion would make it difficult for the government to maintain its present position of refusing to accept vacation unemployment as a criterion for hardship grant applications. It would weaken the opportunistic flexibility currently enjoyed by the government in maintaining its grant-in-aid philosophy since it would call for regular assessments of need and regular indexation - both firmly rejected by the government.

Apart from the savings-bursary linkage there is also the issue of student debts. It is clearly an unhealthy state of affairs when 20% of students/trainees are in debt at the end of the year - many over \$500 - and another 20% are so “broke” that they cannot afford the next rent or bill. In a nation facing a rental housing problem this is an invitation (accepted by some) to landlords to regard students/trainees as tenancy risks not worth housing. If there is no link between this and the annual housing crisis which erupts each February-April for students/trainees then those with more plausible explanations for this phenomenon are being strangely silent about them.

The debt issue also points to the question of access to tertiary education. Loans have to be advanced by some agency: either affluent parents who are already expected to make direct financial grants to their offspring, or banks, etc., who wish to see some security for their risk. Either way it is difficult to refute the claim that poorer people will not get access to these loans and, therefore, to the tertiary education for which they are often a key. As a further dimension of access to tertiary education, it has become a matter of considerable concern to welfare staff on university campuses that many students are facing housing, heating and eating problems which are detrimental to health and study.

In answer to a written question in Parliament, the Acting Minister of Statistics (the Rt. Hon. R.D. Muldoon, Parliamentary Order Paper, 4 May 1983, p. 304) gave the actual and projected numbers in the 18-19 and 20-24 age groups for the New Zealand population over an 11 year period as in Table 1.

TABLE 1: POPULATION FIGURES 1980-1990

Year (At 31 March)	Age (Years)	
	18-19	20-24
Actual Population		
1980	125,870	267,590
1981	125,950	272,610
1982	124,790	281,170
Projected Population		
1983	122,300	293,300
1984	118,800	300,100
1985	117,900	302,100
1986	118,000	301,200
1987	120,300	295,900
1988	122,000	290,700

It can be seen that the age group from which most tertiary students/trainees originate will not decline in numbers until 1986 at the earliest. So increases in roll numbers are of little probative value in debates over access. What is slightly more useful is the percentage of people who matriculate within two years of gaining university entrance. The Minister of Education (ibid.) revealed the trend in participation rates at University as follows in Table 2.

TABLE 2 : MATRICULATION RATES 1972-1980

Year in the VI Form	Percent Matriculating as Internal Students
1972	27.4
1973	27.2
1974	28.2
1975	26.6
1976	25.1
1977	23.2
1978	22.6
1979	22.7
1980	20.9

The trend in Table 2 is downwards and evidence presented elsewhere in this paper tends to confirm the claim that particular groups of people are being excluded from tertiary education.

The foreseen fairy story summer, in which students/trainees would effortlessly glide from raspberry fields to housepainting and on to two weeks' filing in the Department of Justice to clock up a full summer of employment, did not materialize. It is doubtful that anybody, including its chief architects, ever believed it would. Job Search may have sounded fine in theory. But it lacked any objective social reality offering the promise of success. As a scheme it ensured that students/trainees picked up any jobs needing doing in the community rather than sitting around unproductively over the summer. In this way it proved successful for those with the resources to pay for the work done. But in terms of providing the necessary savings base for students/trainees it was a failure. In a period when unemployment figures keep "peaking" every month or two, Job Search could not expect to be any more than NZUSA had suggested it be - an operation to seek out and mop up private sector work which would reduce public expenditure on SCSP.

A brief comment concerning the Emergency Benefit (EUB) is germane here. Although the EUB figures for the 1982-83 summer are not analysed in my larger study (op. cit.), I have discussed there the matters of high rejection rates, stand downs and delayed payments. These factors combined to create a situation which many students/trainees who were not in debt at the end of the 1982 academic year nevertheless "achieved" that status at some point during the summer. In many cases it meant that their parents, who went already supporting them with free board and direct grants throughout the year, had to turn around and provide the same handout over the summer. The Minister of Social Welfare, Venn Young, acknowledged (at a meeting with NZUSA) that it does seem a little unreasonable that an 80 year old parent should be means-tested before her/his 55 year old student son/daughter living in the parental home could receive EUB: he would look at it for 1983-84.*

A further question arises as to the likely impact of youth rates on students/trainees if the legislation currently before parliament is successful. As I have shown, (op. cit.) the largest occupational Category for students/trainees was labouring/arriving. The N.Z. Labourers Award contains no provision for youth rates and is a target of the government's proposed legislation. Similarly, throughout the year many students/trainees get part-time jobs as cleaners - another occupation whose award does not contain youth rates. The government and the Employers Federation argue that youth rates will allow the creation of more jobs. Evidence supplied at meetings by many unions shows that the occupations with the highest unemployment rates are those already with youth rates. Further, as noted by Hazel Armstrong of the Wellington Cleaners and Caretakers Union in an address to an NZUSA Council meeting, the job creation myth is just that in her industry: will an employer clean a room twice just because he/she can employ two young people for the price of one adult? Profits, not jobs, are the objective.

Many students/trainees stand to have their savings severely affected by youth rates legislation. In a leaked paper addressing this legislation and believed to have been written by the Minister of Labour, Jim Bolger, "suitable" youth rates are proposed as follows:

15 years	\$65.00 per week
16 years	\$78.00 per week
17 years	\$91.00 per week
18 years	\$104.00 per week
19 years	\$117.00 per week
20 years	\$130.00 per week

From such earnings students/trainees are to pay their summer living costs and save somewhere in the vicinity of \$2,000. For a 17 year old that means saving 109.89% of her/his gross wage and then paying tax and weekly living costs out of the rest!

Addressing the earning capacity of students on a comparative basis across a 5 year time span emphasises the current difficulties. Although it excludes teacher trainees, who were not then eligible for the Standard Tertiary Bursary, the 1978-79 Survey of Tertiary Bursars' Income and Expenditure Patterns contains some useful data on student holiday earnings. Table 3 presents some comparisons between the 1977-78 summer nominal earnings, those earnings indexed to 1982-83 summer dollar values and the actual 1982-83 nominal earnings. It should be noted that the 1977-78 data relate to mean nett earnings while the 1982-83 data are median gross values. However, the disparities are so great as to make this distinction largely irrelevant. There has been a 26.31% reduction in real earnings in that period. When it considered that earlier figures in this study point to a reduction of 21% in savings just between the last two summers, the impact of the SCSP abolition can be appreciated. The first four summers saw a total drop of perhaps only 5% in real earnings while this last summer accounts for over four times that figure on its own in the area of savings. The people most significantly affected by this drop would appear to be those aged 18-21 and those over 25

years of age. That we are comparing 1977-78 nett figures with 1982-83 gross figures makes these data extremely conservative.

It is possible to calculate an average number of weeks worked over the 1982-83 summer from the weekly calendars filled out by respondents. The 1977-78 summer respondents were simply asked the number of weeks they worked. This could give an over-estimate if students had counted weeks in which they did any work, but unemployment among students over that summer was very low and full time work was the norm. Table 4 compares the weeks worked, by sex, for the two summers. Although both sexes suffered a drop it is clear that the major movement has been that of men being downgraded more than women.

**TABLE 3: EARNINGS BY SEX, AGE AND TERTIARY STATUS IN
THE 1977-78 and 1982-83 SUMMERS (\$)**

	1977-78 Average Nett Earnings	1977-78 Earnings Indexed to '82-83 CPI	1982-83 Median Gross Earnings
<u>Sex</u>			
Male	840	1,672	1,091
Female	495	985	625
<u>Age</u>			
Under 16	280	557	442
18	510	1,015	716
19	760	1,512	1,101
20	850	1,692	1,224
21	870	1,731	1,217
22	840	1,673)	
23	790	1,572)	(22-25) 1,311
24	850	1,692)	
25-29	780	1,552	(26-35) nil
30 or more	450	896	(36 or more) nil
<u>Tertiary Status</u>			
University Students	770	1,532	957
Technical Institute Students	350	697	459
TOTAL	680	1,353	997

**TABLE 4: NUMBER OF WEEKS WORKED IN THE 1977-78
AND 1982-83 SUMMERS BY SEX**

Sex	Weeks worked in 1977-78	Weeks worked in 1982-83
Male	9.5	7.31
Female	6.9	6.19
TOTAL	8.4	6.32

Both in terms of wages earned and weeks worked, then, there has been a major reduction in student holiday incomes since 1977-78.

In assessing hardship applications from students/trainees Department of Education officers follow a guideline of acceptable student income and expenditure patterns and expected support from parents. It is interesting in relation to the data presented in this paper. For example, the guidelines state that the average expected gross earnings and savings from various groups of students/trainees should be as shown in Table 5.

**TABLE 5: DEPARTMENT OF EDUCATION SAVINGS
ESTIMATES FOR VARIOUS GROUP OF STUDENTS/TRAINEES**

Student/Trainee Group	Gross Earnings (\$)	Savings (\$)
All University students	1,800	750
All Teacher Trainees	700	300
Technical Institute Students-under 20	700	400
Technical Institute Students-20 and over	1,100	400

All savings below the level expected in Table 5 have to be explained and may count as grounds for complete rejection of an application. Data, from Table 3 above showed that no tertiary group achieved such a figure: even at the median level. He do not have data on savings or earnings by age and tertiary status, but among the three tertiary groups, 22.23% of university students, 37.74% of technical institute students and 31.51% of teacher trainees achieved such earnings. The respective savings figures are 46.35%, 49.06% and 36.99%.

The guidelines are repressive in other ways as well. For example they tell assessors to assume automatically that all parents who are provided with a house as part of the job have minimum assets of \$50,000. For university students, living costs over the summer are to be allowed for 13 weeks only (instead of the 15 weeks of non-bursary year) while for technical institute students the figure is 7 weeks (compared with the real 10 weeks)

It is baldly stated that students are expected to carry a weekly deficit (after the T.A.G.) of \$25.00 totalling \$950 for university students, \$1,050 for technical institute students and \$1,125 for teacher trainees. And it must be noted these deficits are calculated only after an assumed financial assistance from parents has been "credited" to the applicant. This assistance varies by parental gross income and is illustrated in Table 6.

TABLE 6: ASSUMED ANNUAL PARENTAL GRANT TO STUDENTS/TRAINEES

Parents' Gross Salary	PARENTS' CONTRIBUTION PER ANNUM (\$)		
	University	Teachers College	Technical Institute
\$			
14,000	135	129	111
15,000	270	258	222
16,000	360	344	296
17,000	450	430	370
18,000	540	516	444
19,000	630	602	518
20,000	720	688	592
21,000	810	774	666
22,000	900	860	740
23,000	990	946	814
24,000	1,080	1,032	888
25,000	1,170	1,118	962
26,000	1,260	1,204	1,036

Note that the parents' gross income in Table 6 should be reduced by \$1,500 for each dependent other than student/trainee concerned. Data presented in my full study suggest that this assumption of parental assistance is seriously undermined by the actual inability or unwillingness of parents to provide it.

With all of this material on the guidelines for applications processing one needs to keep in mind that the exercise is seen as pertaining to students/trainees in a state of severe hardship.

Several respondents in my study commented on the jobs-bursary link. A single female university student (aged unspecified) commented that because she was offered a job three weeks before the end of her 1982 school year she took it after receiving advice that her sixth form certificate mark would entitle her to a bursary. This did not prove correct. She now has to survive the entire year on \$1,300 savings with no bursary. A single male university student aged 27 stated:

"I'm finishing a Masters and have gone on the dole to survive – of course if they find me a full-time job, I'm stuffed."

Another student on a big degree course, a 22 year old single medical student, commented:

"I was in part time and then full time employment while studying last year in order to "save" my bursary for the med. degree - I have 2 years of bursary left. Other people could be in this position of full time work plus study ... [this questionnaire] has not brought this out."

She is correct.

A 23 year old married polytechnic student commented:

"I feel it is rather unrealistic to expect students to be able to board or go flatting on \$50.00 per week. I (we) have experienced problems, with my husband on apprentice wages and I being unemployed. If not for living in a \$20 per week schoolhouse we would have had to loan money in order to live. We would have had no money for clothing, phone or car repairs."

She had been an unemployed primary teacher until the end of 1982.

A 26 year old single woman had had to return to New Zealand suddenly when her father died. Stuck here:

"I applied for training college as a long shot - I did not expect to get in, considering the current restrictions. When I was accepted last Xmas my priority became to look for permanent part-time work which would supplement the meagre \$50 per week I would receive when I began Training College. I had no savings and did not wish to continue being financially dependent on my mother. I stopped looking for a part-time job a month into training college. The Div.C course I am involved in is far too demanding to have a part-time job taking up 16 hours per week (which I was looking for). I am now living with my boyfriend whose income supplements my \$50 - this is what enables me to do the Training College course."

At the time of the SCSP abolition NZUSA was leaked a copy of an inter- departmental paper from the Departments of Education, Labour and Social Welfare to their respective Ministers, dated 19 May 1982. This paper summarizes the impact of abolishing the SCSP; it also presents figures on the living costs of students; and it estimates the number of students who would be affected.

In it the Department of Education summarised its views as follows:

- The availability of vacation work for students has been steadily reducing, and suspension of the SCSP will mean restricted educational opportunities for some.
- The proposed new Tertiary Grants Policy has been based on the premise that students will make vacation savings.
- The proposed new Tertiary Grants Policy will not in itself provide sufficient help for those who are unable to earn in the long vacation.
- There is a large body of full time students who do not qualify for state assistance and most of these are solely dependent on what they can earn in vacations.
- As a direct result of the decision to abandon the SCSP the levels of the proposed new Tertiary Assistance Grant have been revised, adding \$3.7 million to the estimated costs.
- Consideration should be given to an early public statement on the SCSP.

With respect to the penultimate point, it should be noted that this "extra" \$3.7 million in compensatory bursaries was to be achieved by reducing the Cabinet-approved basic grant from \$30.00 per week to \$27.00 and increasing the (less universal) accommodation grant from \$20.00 to \$23.00!

However, the key points are the first, third and fourth. The three Ministers concerned were carefully advised that the abolition of SCSP "will mean restricted educational opportunities for some." No wonder Jim Bolger told NZUSA he did not want to discuss the contents of that paper with us.

The Department of Social Welfare was also concerned at the impact of the SCSP abolition. It saw the positive aspects of the SCSP as:

- a. it acknowledges the job opportunities for students in the summer vacation are limited;
- b. it provides the students with constructive and remunerative employment thereby giving them work experience, keeping them usefully occupied during the vacation period, and giving them an opportunity to accumulate funds to assist them through the coming study year;
- c. it provides local authorities, community organisations, hospital boards and other bodies with an opportunity to carry out useful work projects which might otherwise not be done;
- d. it fosters community involvement (e.g. the Wellington Summer City Programme which 1981/82 employed 180 students).

Although some of these activities may be continued by using other job creation programmes such as the Project Employment Scheme, it is likely that most will be discontinued. Considerably more students will be at a loose end during the summer vacation and more will have difficulty managing during the study year. Student involvement in local communities will be diminished and many useful work projects currently undertaken will be dropped. (ibid.)

To underscore the financial implications for students, the Department of Education provided a 1982 budget for the average student - a budget which assumes that all students get the accommodation grant, whereas in fact approximately 40% do not. The budget reads:

Average outgoings	\$3,707.47
Average resources	\$ 424.29
Gross Deficit:	\$3,283.18
Less - expected average payment under proposed Basic Grant (\$30 pw); and proposed Accommodation Allowance (\$20 pw)	\$1,621.66
Net deficit to be met from vacation earnings (including SCSP)	\$1,661.52
By comparison, the <u>actual</u> average vacation savings (in the 1981-82 summer) [<u>including SCSP</u>] were	\$ 781.25

The Department of Education continued:

In addition to students eligible for a tertiary assistance grant, there are the 30 percent of full-time students who do not qualify for state assistance because:

- a. they do not meet academic criteria;
- b. they are trying to reinstate eligibility;
- c. their courses are not "approved" because of their length or academic content,
- d. they have exhausted five years entitlements.

While not eligible for the grant-in-aid they represent a group which will be directly affected in their ability to finance their own tertiary education as a result of the abandonment of the Student Community Service Programme (ibid.).

My somewhat "naive" comments (see Waghorne, op. cit., p. 17), about students falling down "gaps" left by the failure of these three Departments and their Ministers to sit down to a joint session with NZUSA can now be put into perspective. It is obvious that they can sit down jointly in private, did so, agreed what the results of their decision would be and then implemented that decision. It is for this reason that NZUSA stated that what happened over the 1982-83 summer was a result of informed and deliberate government planning.

In mitigation it can be said that the one Department which has been steadily dismantling its research section, the Department of Labour, got all its arithmetic wrong:

- a. It assumed that the average number of students on SCSP in 1981-82 had been 9,500. But the Department of Labour officials had repeatedly told NZUSA that they do not have flow data which allows them to identify average lengths of time students spent on projects. At a cost of \$26 million for 9,500 students per week, the programme should have given these students an average of over \$229 per week. This is unlikely given that thousands of students were put on two "standard rates" of \$160 and \$180 per week in the 1981-82 summer. It is likely that the average number of students employed throughout the summer on the SCSP was in excess of 9,500. But that figure is crucial since all of the Department's subsequent figures depended on that low guesstimate.
- b. It assumed that 2,000 students would be placed on private sector job creation programmes. Again, senior officials in the Department had told NZUSA that they had no research on and

absolutely no idea of the number of students likely to be employed on private sector job creation programmes. If 2,000 was the number then:

- i. in what industries were they to be;
- ii. in which districts were they to be;
- iii. why were the current unemployed not being referred to them?

Questions from NZUSA to the Department had all been answered with “we don’t know”.

- c. It assumed that half of the “ex-SCSP” students would get private sector jobs. Again, where was the evidence to support the contention that 3,750 students would get jobs in the private sector (and don’t forget the doubt about the 9,500 figure in (a) above), The questions (i) - (iii) in (b) above apply here. Again, when NZUSA asked we were told “we don’t know”, except that Sam Jamieson, then Director of Employment, told NZUSA that “absolutely no jobs exist in Taranaki. Keep out of there - I’ve got to get jobs for the Patea people”. Similar comments were made about the West Coast north of Greymouth, “where everybody works for the government”.
- d. Those left over from (c) would get unemployment benefit and the TAG Hardship Grant. The concern about the estimate (3,750) is repeated here, with the additional note that Department of Social Welfare estimates, based on real data, sum to 5,560. Further, a reading of the comments of the latter Department show that!!£ unemployed students would get the unemployment benefit, but that about half would get the emergency unemployment benefit (lower than the unemployment benefit in many cases). Furthermore, the Department of Education’s criteria for the hardship allowance reveal that no students would qualify for it on the basis of their unemployment.
- e. Two thirds of students are under 20 and one third are over 20. This was used to calculate Benefit payments. Analysis of bursaries data provided by the Department of Education shows that the under-20-years: 20-and-over ratio was not 2:1 as “assumed” by the Department of Labour but 0.908: 1.
- f. The average hardship payments under the TAC: would be \$10.00. How, one might ask, could the average hardship allowance be \$10 when the maximum is \$10? Department of Education officials, as well as the Minister, have admitted that costings for the bursary assumed that 2,000 students would get \$10. But our calculations here would suggest at least 5,560 (and possibly more) receiving \$10, and others again receiving less!

A whole set of assumptions based on a low initial guesstimate led to the conclusion that “only” an additional 3,750 students would be unemployed.

The government can argue that while it did plan for a total of 4,750 students (not counting teacher trainees) to be unemployed it could not know that it was badly advised by the Department of Labour. It has never used that “excuse” in subsequent debates with NZUSA.

Conclusion

While acknowledging the tentativeness with which one must advance conclusions on the basis of a single research study, I would suggest that the above discussion provides evidence for the view that equality of access to tertiary education in New Zealand is under attack. (See also Jones 1983, Lauder 1983, and Waghorne op. cit.). Indeed the NZUSA study forms part of a growing body of evidence suggesting very strongly that the principle of equal access to university is being undermined along the lines of social class and ethnic origin. In addition there is also evidence suggesting polarisation in respect of the sex composition of our teachers colleges.

The government can be seen as playing a direct and active role in creating and consolidating this trend. In respect of allocating personal resources (via bursaries and summer employment) it plays the leading part. It cannot be disputed that government took decisions in 1982 which led to removing the vacation savings base of thousands of students and trainees. What is open to question is whether it really appreciated the impact of that policy decision in mid-1982, when it was made. Could it really have predicted the results?

NZUSA began lobbying government MP's in February 1982 to retain the SCSP. They were given plenty of data and strong political arguments to support their case. It is clear from the inter-departmental paper that the three cabinet ministers concerned (Labour, Social Welfare and Education) were given strong advice on the social and political dangers of abolishing the SCSP on the one hand, and some conservative (to say the least) data from the Department of Labour on the other.

The Minister of Education had received considerable information for NZUSA on the financial position of students throughout the eighteen months leading up to the abolition decision. The Minister of Labour had been presented each year with detailed evaluations of each summer's SCSP operation.

NZUSA would argue that the government and its advisers knew quite well that the decision they took would leave at least 4,750 students unemployed. I would argue further that if the Department of Labour had been seriously committed to researching the issue it would have known that the "estimate" it actually gave erred considerably on the low side.

Powell's September 1982 submission on the implications of the SCSP abolition used published data to predict the 10,000 unemployed figure. At no stage did the government refute any of Powell's argument, although views were expressed, based on the conviction of the Minister of Labour and his senior officers, that students must be exploiting the SCSP and creating unemployment themselves. No research was ever produced to justify this conclusion about a \$26 million programme affecting more than 12,000 students.

It is obvious from this paper that the government knew in advance the kind of impact its decisions would have on students/trainees. Government also had some advance inklings as to the extent of the impact its decisions would make. Because it had the capacity to know and act, and had been invited to act, I must conclude that the government planned the results of the 1982-83 summer.

The chairs of the government's own caucus committees on employment, education and welfare all accepted the NZUSA data and expressed their concern at the consequences of the government's decision. It is also clear from their private comments to NZUSA that they believed the decision to be wrong and that communication between the Beehive and the rest of the government caucus was minimal - there were many occasions on which they were put in the embarrassing position of having to seek from NZUSA information already in the hands of the ministers and - departmental officials.

In late October, when it was already clear from the Job Search teams that NZUSA was correct in its position, a last-minute effort to do something through the PEP: Student Modification was made by the Minister of Labour. The caucus chairs were obviously embarrassed again at the size of this move - it produced only 600 part-summer jobs.

The conclusion I had originally seen fit to draw from my discussion is that adequate research is essential to framing good or beneficial policy. However I now regard that conclusion as manifestly inadequate. Good research is important. But unless it is linked with good political will (or at least with a commitment to forging such a will) it is never going to be sufficient. Governments can and do conspire against broad sections of their societies.

Some of the departmental officers involved in this whole process were "progressive" and forthright in their efforts to defeat this policy decision (including leaking information to NZUSA). Others were less so. The three ministers concerned were under siege from a cabinet committee (the "razor gang") committed to a major assault on the social wage in the interests of rescuing the government from the fiscal crisis facing many capitalist states at present.

Unemployment is not unpalatable to the present government (apart from vote implications) and neither is unequal access to tertiary education. NZUSA was reliably told by one confidential source that Cabinet was informed that the consequence of the summer jobs-bursaries policy was that access to tertiary education would become more unequal. The reply, instructive in its view of the purposes of education and who its users are, was that:

"surely that is no problem. What else would the son of a plumber want to be other than a plumber?"

Note

* This procedure has been abandoned.

Appendix I

SUMMARY OF MAIN FINDINGS

At the end of the academic year 20% of teacher trainees, university and technical students were in debt.

A further 20% were "broke", (i.e. they had zero money left when they finished their 1982 academic year).

Teacher trainees were most likely to be in debt - 25% - compared with 19% of university students and 13% of technical institute students.

The median amount for those in debt was in excess of \$422.

Other students had a higher level of debt.

40% of 21-25 year old women ended the academic year in debt. 58% of 21-25 year men ended the academic year in debt.

Of those in debt, 35% were those in debt at the end of the academic year and able to pay off their debts from summer earnings. Another 35% were not able to pay off their debts by the end of their summer employment period. The rest paid off debts which they incurred between the end of the academic year and finding work.

Women students and trainees were able to earn much less than men. The median earnings of females was \$625 compared with median male earnings of \$1,091.

Over a quarter of women - 25.5% - earned NIL over the summer. Less than a fifth of men - 19.9% - earned NIL over the summer.

Students and trainees were able to save considerably less in the 82/83 summer than in the 81/82 summer. Median savings were \$688 last summer compared with \$781 in the previous summer. Taking a 12.5% inflation rate into account, last summer saw a reduction in real savings of 21.8%.

Women, teacher trainees, technical institute students, and those aged 17 and younger or 22 or older were able to save least.

Appendix II

BREAKDOWN OF SAVINGS MADE BY RESPONDENTS

	<u>Median Savings</u>
	\$
University students	666
Technical Institute students	293
Teacher Trainees	158
17 years or younger	447
18 years	661
19 years	771
20 years	792
21 years	600
22 - 25 years	316
26 - 35 years	NIL
36 - or more	NIL
Female	434
Male	693
No dependent spouse	561
With a dependent spouse	NIL
With no children	576
With children	NIL

Note: On unemployment

An average of 10140 students/trainees will have been unemployed (on an equivalent full-time basis) each week of the summer. In any one week 21.7% of university students, 27.73% of technical institute students and 26.18% of teacher trainees, 30.6% of Maori students/trainees and 27.99% of Pacific island students/trainees were unemployed.

People who could not get full-time jobs, relying instead on part-time jobs achieved much lower savings than those with full-time jobs.

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1. More jobs are being officially advertised but as a consequence of increased government subsidy to employers. The number of students unemployed however is expected to remain the same.
2. Female wage rates have shown a marked increase - clearly as a result of positive action.
3. The Youth Rates clause of the Industrial Law Reform Bill has been narrowly defeated and consequently will not become part of industrial law in early 1984. However Prime Minister Muldoon has made it clear that the defeat of the clause on this occasion by no means spells the end of the National Government's interest in youth rates.

Editors' Note

As can be seen from the Stop Press, although female wage rates have increased significantly the vacation employment situation for students overall is not significantly different now from how it was a year ago. Hence we include Mr. Waghorne's paper in the belief that the validity of his argument has not been reduced by economic changes across the two summers.