

## What's behind the Picot Report?

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### ABSTRACT

We have to fight Picot as totally reactionary and repugnant, not because we have any illusions about the system it is designed to replace, but rather because we have no illusions about what it is designed to achieve. Opposition to the Picot Report has to be based on a correct understanding that it amounts to a total attack on the remnants of free, universal and compulsory education introduced over a century ago.

The crisis facing the bourgeoisie in this country is one of insufficient profits, caused not by excessive costs, but by an inability to increase the rate of exploitation of wage-labour sufficiently to compete successfully and survive. The attempts by the bourgeoisie to use the state to protect their profits have now become themselves drains on profits. Instead of a means of propping-up the economy, state intervention is regarded as a barrier to further investment and growth.

Therefore, rather than acknowledge that it is the capitalist system that is to blame, the bourgeoisie and their 'new right' advocates blame the crisis on the working class, on excessive wages and unproductive government spending on the 'welfare state'. They present the crisis as having arisen as the result of growing state 'interference' in the market during the post-war period, involving increasing levels of capital expenditure on production such as in mining, forestry, works and development etc., and in social spending on health, education, housing and other social services. To finance the increased state expenditure, governments have to increase their revenues, either by printing money or taxing profits or wages.

Inevitably, because inflation undermines investment confidence, and because wages cannot be taxed below a certain level, governments have to pay for expenditure by taxing profits. At this point, capital has a clear interest in calculating whether government spending is 'productive' or 'unproductive' of profits. When spending begins to become a net drain on profits and levels of debt constitute an intolerably high claim on future profits, the bourgeoisie goes on strike. Large capitalist firms refuse to invest in production when they know that large amounts of profits are required to pay for an unacceptably high level of state expenditure.

The obvious strategy for capitalist firms is to blame their own crisis of debt on the state bureaucracy for indulging in excessive spending. Having shifted the blame on to the bureaucracy, the object is then to corporatise or privatise the bureaucracy and break its power in order to cut social spending and restore profits.

The Labour Government in accepting this 'new right' ideology has moved rapidly to corporatise and privatise almost every area of state productive activity such as post and telecommunications, coal, electricity, gas, forestry, and works and development. Today it still has a budget deficit of over

\$3 billion, and a total public debt of over \$30 billion, which is not only a drain on future profits, but is driving up interest rates and the value of the NZ dollar, undermining business confidence and a return to profitable investment.

To eliminate this 'deficit' and balance its 1988-89 budget, the Labour government has dramatically stepped-up the pace of privatisation of state assets, earmarking \$9 billion in state assets for sale, about \$2 billion within a year. Still this has not pleased the bourgeoisie, which through its Business Round Table complained that social spending on health, education and welfare had not been cut.

Obviously, in order for profits to be restored to internationally competitive rates in New Zealand, the bourgeoisie wants the \$9 billion spending on the 'sacred cows' of the welfare state to be drastically reduced. And this clearly means that education (\$3.48 billion) will be subjected to large cuts. It is the seriousness of this crisis that explains why the speed with which the Labour Government is proceeding with its reforms exceeds that of Thatcherism.

In preparing the ground for such cuts the government has embarked on a series of 'reports' which are designed to present the need for major 'rationalisation' in health and education, in the interest of the bourgeoisie, as necessary to restore the freedom of choice of individuals usurped by the state and the bureaucracy. The 'new right' neo-liberalism has expropriated the language of change: 'reform' and 'modernisation' now mean their opposites - a return to reactionary market forces, in the name, of course, of individual rights and freedoms.

The report of the Taskforce to Review Educational Administration, headed by Brian Picot, prominent Auckland businessman, like that into health, headed by Alan Gibbs, is a sub-committee of the bourgeoisie whose composition is designed to produce recommendations in line with the thinking of the bourgeoisie. While professionals and lay people are included on these 'taskforces', they carry no independent weight and are no more than weak liberal cover for the profoundly reactionary policies implicit in these reports.

Picot made sure he had Lange's clearance on the Report before it was made public, avoiding any conflict with the Government and facilitating its acceptance as a 'liberal' document. Another member of the Taskforce. Associate-Professor Peter Ramsay, quoted in the New Zealand Herald, July 25, claimed that the Picot committee resisted strong pressure from Treasury and State Services Commission, leaving us to assume that we had been defended against a ruthless Treasury hatchet-job.

Despite its 'liberal' façade, the Report is a political and ideological foray to break the power of administrators and teachers in resisting any necessary cuts in education. It does this by deflecting the fears and frustrations of parents about their childrens' economic future, which are real enough given the uncertain future of a crisis-ridden capitalist system, on to administrators and teachers. It therefore heads off any criticism of the real causes of defects in capitalist schooling, by inviting direct criticism of teachers, administrators and their union as scapegoats for capitalism's ills.

It panders to three popular myths: that bureaucrats are unnecessary since they cost a lot and limit parental choice bureau bashing is a popular sport; that parents are the real experts since they 'know' best what their children need to succeed - playing to the individual's 'rights' against an oppressive state; that parental control of schools allows them 'democratic' participation and 'freedom of choice' - again appealing to individual values in the face of perceived threats to these values.

In scapegoating the professionals and presenting their professional interests as opposed to those of parents, the Picot Report is designed to forestall any alliance of parents and professionals against the drive to privatise and cut back on state funded education.

## Picot Opens The Way To Privatisation

If we understand the logic of the drive to privatisation, the Picot recommendations are seen as a major step in that direction. Parents are to take control of schools out of the hands of the Education Boards. Teaching and other educational services will be provided under contract to the Parent Trustees. In the interim, state funding will continue, but will increasingly depend on parents and local communities supplementing resources.

The miniscule 'real' increase in vote education for the 1988-89 year is designed to placate the worst fears and disarm resistance. Under the latest Budget provisions, Vote Education will be administered with strict budgetary controls under a newly-appointed chief executive who is a self-proclaimed believer in efficient financial management. Spending limits will be strictly enforced so that wage increases will have to be absorbed by job losses. Hence it is not the total Vote Education that is important, but how it is to be used.

The implications for working class communities are clear. To be able to afford any sort of education they will have to pay out of their wage, or be 'targeted' as poor and receive an 'education benefit'. This will mean that the quality of education for the, poor will suffer. They will not be able to afford to buy the services now provided 'free', such as school journals, and psychological services. The quality and standard of education will not be controlled by trained inspectors, as 'quality control' will now mean financial control only, again contracted out to a parent-accountant!

The result is predictable: the children of working class families will be destined to remain in the reserve army competing for the worst, least skilled, least secure jobs. Schools in working class areas will become impoverished 'workhouses/training camps' for the children of the poor.

Bourgeois and some 'middle-class' families will have all the advantages of the type of education required by the system. They will be able to buy the services needed to educate their children For the best jobs. They will support schools that provide the sort of 'excellence' required by the bosses - the most highly trained, compliant and therefore exploitable labour-power.

So far parent and teacher responses to the Picot Report, insofar as they have been critical, have highlighted the blatant inequities: the threat to social minorities; the attack on standardised, professional norms; the 'exploitation' of volunteer, usually female, labour in, running schools; and the abandonment of the cherished 'right' of free, universal and compulsory education.

While these aspects of the Picot Report are clearly repugnant in themselves, they do not go the heart of the report. They reflect a partial, limited and ultimately idealist critique of the Picot Report which fails to grapple with the fundamental purpose of the Report and which reveals certain illusions about the present education system.

Unless these partial criticisms are integrated into a total critique of the underlying logic of the report, it will not be possible to organise any effective struggle in opposition to it.

## The Drive to Privatisation

Opposition to the Picot Report has to be based on a correct understanding that it amounts to a total attack on the remnants of free, universal and compulsory education introduced over a century ago. We have to see that education in a capitalist system is a commodity sold in the marketplace. It is a commodity consumed by wage-workers in producing and reproducing their labour-power in a form required by capitalists. As such education is paid for by capitalists as part of the value of labour-power. This gives the capitalist class a strong interest in paying only for what they need and what they get.

Traditionally, and until the rise of large-scale manufacturing under capitalism, 'education' was part of the reproduction of labour-power performed in the family by unpaid domestic labour. However, as the demands for new skills required an increase in the level of education, this aspect of

the reproduction of labour-power became increasingly 'socialised'; that is, no longer performed in the home for free, but provided by professional teachers paid a wage by a capitalist entrepreneur and exploited as wage labourers.

Mass public education was introduced to produce the supply of trained workers needed for the expanding industry in the last century. The bourgeoisie organised state education because it could be standardised to the required level of technology, and administered and taught more cheaply by state servants than would have been the case in private schools. In fact state education was introduced in this country in 1877 because private schools cost the capitalists too much.

The present system of free, compulsory, and universal education was developed to meet the requirements of a protected economy from the late 1930s, and met the needs of the capitalist class so long as it reproduced the mass of moderately skilled workers needed under labour market conditions of 'full employment'.

Yet today, we don't have mass employment, rather mass unemployment. The cost of an education system geared to 'full employment' is therefore an unnecessary or 'unproductive' expense for the bourgeoisie because it involves paying a social wage to produce and reproduce labour power that is not required in the market. This unproductive social wage expended on superfluous education is a drain on profits already under pressure. How did this happen?

The current crisis of overproduction in New Zealand was caused mainly by the limited size of the domestic market. To survive, New Zealand firms had to go offshore and compete for international markets. This has meant restructuring production, introducing high technology and sacking well over 100,000 workers. The capitalists' requirements for labour-power now reflect this change: relatively few skilled workers are required, the rest are further deskilled and large numbers are cast into a permanent reserve army of the unemployed.

This means that the system of universal education designed to meet the requirements of 'full employment' has to be replaced by a private system where differential skills needed to match the demands of advanced and changing technology can be provided by capitalist entrepreneurs, employing teachers as wage-workers. Instead of having education provided as of right as part of the social wage, it will now have to be paid for out of the market wage.

Under a privatised system, parents as consumers, responding to the marketplace demand for labour, would look for the type of education they need for their children and then buy it as a commodity in the marketplace. Those who can afford it out of their wage will be able to buy the education they need. Those who cannot will not be able to. Need becomes translated into demand and ability to pay.

This will meet the needs of the job market, as capitalists will pay a high wage sufficient to include the costs of education of a relatively few highly skilled professionals, technicians and administrators. The wages of unskilled workers will be sufficient to cover only the most basic education. The benefits of the unemployed will not cover education of their children at all since they will not be needed in the job market.

As the move back toward privatisation implies, more and more of the socialised, public education will once more be pushed back into the family and become once more the obligation of domestic workers. Bourgeois and middle class families will be able to set up new 'homeschools' by combining the resources of 21 or more parents. For the poor, the obvious implications are that, along with the intensification of other forms of domestic labour, the 'voluntary work' of women in providing for the education of their children, means a return to the dark ages of domestic slavery.

In terms of the rationalisation occurring in the marketplace and the drive for bigger, more cost-effective enterprise, the 'contradiction' of Picot, of advocating a multiplication of resources and re-creating education as a 'cottage industry', is explained. Capitalism relies on the intensification of domestic labour in periods of crisis to lower the costs of the reproduction of labour-power.

## How to Fight Picot

We have to fight Picot as totally reactionary and repugnant, not because we have any illusions about the system it is designed to replace, but rather because we have no illusions about what it is designed to achieve. It is a major move towards a privatised education system that will be out of reach of the growing mass of unemployed.

Our first and basic obligation is to defend jobs and the means to get them. In doing so we must unite the interests of women as domestic workers, and professionals as wage-workers in defence of fully socialised, free, universal and compulsory education and child-care.

The New Zealand Educational Institute, the union of primary Teachers, has come out in total opposition to the Picot Report. It objects to the elimination of national standards for professional teachers, for the curriculum, and the threat posed to psychological and other services. It also claims that there is no evidence of popular support for Picot.

While this is true as far as it goes, opposition needs to be based on the defence of jobs as the only issue which will prevent the emergence of divisions among teachers, administrators, domestic workers and parents. Resistance which is based on defending aspects of the existing system, trying to be more 'efficient' than Picot, or surveying parents, will create divisions and weaken solidarity.

Only all-out action, by teachers, administrators and parents in defence of jobs will defend them. We have to defend jobs as part of a socialised, public education and child-care system forcing the big bourgeoisie to fund the provision of our social needs independently of social class, race and gender.