

## The politics of 'choice' and 'community'

### The politics of 'choice' and 'community'

Michael Peters and James Marshall

#### ABSTRACT

The first section of this paper follows the arguments of Bertram (1988) in his detailed review of the origins and the theoretical adequacy of the Treasury's use of the notion of 'capture'. It comprises two parts: a brief examination of the egalitarian critique of the welfare state as an empirical argument for a limited state role; and a brief review of the 'public choice' school construed as an a priori argument for a limited state. The second section addresses the notion of 'community' and the use made of it by representatives operating from different and opposing paradigms in social policy analysis. This section draws heavily on previous work completed for the Royal Commission on Social Policy. It attempts to demonstrate that the notion of community appealed to by the Picot Report is both theoretically impoverished and inconsistent with the overall neo liberal commitment to individualistic assumptions.

The basis of this approach to the Picot Report is to provide a theoretical context for its analysis. A new or proposed policy for reforming or restructuring educational administration does not take place within a vacuum. Any new or proposed policy is constrained by a pre-existing policy context which helps to determine its initial terms of reference, its core values and ultimately, its political acceptability.<sup>1</sup>

We can get some inkling of this process from events leading up to the release of the Picot Report: in particular the fact that it has been one of a number issuing from the perspective of a New Right<sup>2</sup> management ideology initiated by government during the life of the Royal Commission on Social Policy, which has cut the ground from under the Commission, pre-empting to a very large degree both its public status and its findings.

The reported rapidity with which the Minister wishes to implement the Picot Report, its carefully managed release and media package, the dateline for submissions and the apparent immediate favour it has found with broadly based educational interest groups, all indicate that we are faced with a *fait accompli*. There may be modifications and refinements but its basic principles appear to have been taken to heart.

The immediate context for analysis of the Picot Report is that provided by the New Zealand Treasury's two recent publications: *Economic Management* (1984) and *Government Management* (1987). Both are attempts within the broader ideological context of the alleged 'crisis of the welfare state' to provide a sound philosophical foundation for the role of the state in terms of neo-liberal principles and assumptions - a role which is seen to be necessarily 'limited' or restricted, for the market is viewed as a superior allocative device producing efficiency gains relative to state intervention.

Both are attempts to introduce the free-market mechanism as the basis for a self-regulating, spontaneously ordered social system. To this extent they are part of both the modern global revival of the main articles of faith of classical liberalism, and the consequent shift to the right in the 'centre of gravity' of Western politics - a shift which threatens to capture, Theoretically, even traditional socialistic parties.

In addition, the approach of the second publication exemplifies the application and extension of the logic of the market - in particular, the exchange paradigm - to understanding political and administrative behaviour. It exemplifies, that is, the application of the exchange paradigm to understanding collective or non-market decision-making.

These two publications, however, differ somewhat in that theoretical emphases and in their arguments for providing a sound foundation for the role of the state. They should, therefore, be analysed separately. In this process of analysis, the context broadens to consider the influence of imported New Right theory on the Treasury's thinking. It shows the extent to which present reforms in educational administration in New Zealand are part of a more unified front by the New Right considered as an international movement.

The neo-liberal perspective adopted by the Picot Taskforce is described and analysed in this paper as the 'politics of choice and community'. These are shorthand concepts embracing the fundamental principles which are designed to redefine the structures and rules that comprise administration in education. Such neo-liberal principles, embodied in social policy, seek to redefine and limit the role of the state, favouring the market as a superior allocative device and using market-like arrangements as the basis of a self regulating and spontaneously ordered social system.

The first section of this paper follows the arguments of Bertram (1988) in his detailed review of the origins and the theoretical adequacy of the Treasury's use of the notion of 'capture'. It comprises two parts: a brief examination of the egalitarian critique of the welfare state as an empirical argument for a limited state role; and a brief review of the 'public choice' school construed as an a priori argument for a limited state. The second section addresses the notion of 'community' and the use made of it by representatives operating from different and opposing paradigms in social policy analysis. This section draws heavily on previous work completed for the Royal Commission on Social Policy. It attempts to demonstrate that the notion of community appealed to by the Picot Report is both theoretically impoverished and inconsistent with the overall neo liberal commitment to individualistic assumptions.

### **The Egalitarian Critique of the Welfare State and 'Middle Class Capture'**

Bertram (1988) has traced the influence of Julien Le Grand's (1982) critique of the (British) welfare state on the New Zealand Treasury's thinking (*Economic Management*, 1984) and, in particular, on the use of the theoretical term 'capture' which the Treasury develops both to explain the inefficiencies of existing welfare policies in terms of egalitarian objectives, and to advocate the move to 'targeting' and a more direct approach to equality via the redistribution of incomes. Le Grand's work, which in its development shows some evidence of the impact of the public choice perspective, claims on the basis of a study of distributional data that the welfare state is not redistributive across class lines (most redistribution is intra class and across an individual's life time). In other words, middle and upper classes secure disproportionate benefits in terms of per capita shares of the total available supply of state provided services. The Treasury, for instance, writes:

A variety of studies (in countries with welfare systems broadly similar to New Zealand's) have concluded that most public expenditure on social services is actually distributed in a manner that favours the middle and higher social (income or occupation) groups, despite its notational targeting at low income groups (*Economic Management*, 1984:259)

In the public education system the claim is simply that the rich consume more publicly funded education per capita than the poor and this fact is explained in terms of rational consumer choice and supplier behaviour.

The political conclusion drawn from this evidence is that the education system per se is not an effective tool for reducing inequalities in income, employment or average rates of pay. This state of affairs is said to exist most obviously in forms of non compulsory (or tertiary) education where basic class inequalities appear most strongly and have been most entrenched:

Among the most extreme examples of capture is tertiary education, which in Britain has been estimated to represent a transfer of \$5 to the rich for every \$1 to the poor. Interest groups ... of course seek to maintain or extend programmes which benefit them on the grounds that they improve opportunities for the less well off (*Economic Management*, 1984: 259).

On the basis of such evidence it is argued that tertiary education cannot justify its claim to heavy public subsidy on egalitarian grounds. Bertram (1988: 131) holds that the Treasury's rendering of the argument goes much further even than Le Grand 'in drawing conclusions from evidence which in fact is inconclusive' and also, like Le Grand, offers no systematic political theory of the 'capture' process.

'Capture' as defined by the Treasury, Bertram (1988: 110) discovers, relates to three situations:

- i. 'Consumer Capture' occurs where some group of users of state-provided services secures preferential treatment against the interests of other users.
- ii. 'Provider capture' refers to the situation where those who supply state services pursue their own interests at the expense of the interests of consumers.
- iii. 'Administrative capture' refers to the situation where government departments, not directly involved in the production of state provided services, act to advance their own interests at the expense of the quality of those services.

As Bertram (1988) comments, the first two issues have surfaced as strong themes in critiques of the welfare state from both the Right and the Left. While the New Right argue for a minimalist conception of the state with intervention limited to a redistribution of purchasing power, some Left wing theorists (e.g. Bedggood, 1980) tend to regard the welfare state as dominating rather than liberating the working class. The emerging consensus appears to be that the welfare state has failed significantly to address the issue of class inequalities. The third issue - administrative capture - has, of course, figured prominently in the debate over the restructuring of the public service in New Zealand along lines advocated by the Treasury.

There is a complex set of problems with the egalitarian critique of the welfare state. There is no space to discuss these problems in detail here so a mere list will have to suffice. First, and perhaps most importantly, is that such a critique faces the problem of induction, that is, the problem of

'drawing conclusions about political processes from statistical data about economic outcomes (Bertram, 1988:119).

No amount of 'evidence' will provide a basis to 'prove' the superiority of one theory of the state over its competitors, and it seems unlikely given the theory and value-laden nature of such data that any agreement or consensus could be reached over what might constitute crucial tests in confronting competitor theory candidates.

This mainstream philosophical objection to the egalitarian critique as proposed by Le Grand - or of its variants - probably accounts, Bertram (1988: 119) maintains,

for the shift in ground of the local debate over capture, from a focus in the first half of the 1980s on cross section distributions of taxes and expenditures, to the direct analysis of and processes of public choice in the second half of the decade.

The shift is one Bertram (1988) describes as a movement from arguments for the 'limited' role of the state based on empirical studies, to one which emphasises models of government drawing strong

a priori hypotheses about political and administrative behaviour from postulates of homo economicus - a shift from empiricism to a priorism.

The general conclusion, reached on the basis of distributional data, that the welfare state is a 'zero sum' or 'negative sum' game and that government cannot deliver net welfare gains relative to the market is, therefore, unwarranted.

Further, Bertram (1988:113) argues that the term 'capture' has already built into it the presumption that the welfare state is a zero sum game. The egalitarian critique is 'prior to and embedded in the word'. Second, the egalitarian critique discounts externalities, public goods and economies of scale. Third there are problems over the interpretation of distributional data. The evidence put forward by Le Grand (1982) has been subjected to dispute by O'Higgins (1985), who argues that while social welfare spending in Britain has not brought about greater overall equality in the period 1976 to 1982, it has combated and significantly modified the effects of pressures toward increased inequality. This is an extremely important point as far as the Picot Report is concerned - a crucial matter calling for careful research. It may be that the existing provision for state education in New Zealand has not reduced inequalities of race, class and gender to any significant degree: the salient point for educational researchers is whether the proposed restructuring of educational administration indicated by the Picot taskforce will diminish or exacerbate existing inequalities (a point to which we return below). Fourth, Bertram (1988) argues that there are significant differences between the British and New Zealand systems of social welfare which suggest that the former is less vulnerable to the egalitarian critique than the latter. Fifth, the egalitarian critique is predicated on a certain view of the history and goals of the welfare state. The critique tends to view and to judge the success of the welfare state solely in terms of the pursuit of equality, discounting its other goals which have been advanced as mainstream defences of universal provision. Bertram (1988:135), for instance, mentions that it

improves resource allocation, minimises qualitative differentiation of service, is politically sustainable because of the wide spread of beneficiaries, and performs an important socially integrative function by underpinning rights of citizenship.

Finally, there are definitional problems at the heart of the issue - what are the criteria by which the egalitarian impact of the welfare state should be evaluated? O'Higgins (1987), responding to this question, examines various notions of equality as they are proposed in the relevant literature, arriving at an incomplete list of competing concepts which may function as egalitarian policy objectives.

Overall Bertram (1988:163) provides a multi-levelled analysis and sophisticated attack against the use of the term 'capture' in terms of its inherent conceptual bias and its failure

to distinguish among the different particular problems while conveying the unsubstantiated impression that there is some over-arching meta-problem with the welfare state.

He proceeds to address himself to the particular problems which he examines under three headings: distribution or 'targeting' of some benefit in cash and/or kind: exercise of monopoly power by suppliers of services: and administrative distortions. Each of these problems needs clear specification and analysis in its own right and not all, Bertram (1988) adds, point to the same policy conclusions.

## **The Public Choice School**

The second publication of the Treasury (Government Management, 1987) supersedes, the egalitarian critique as a basis for providing sound philosophical foundations for the role of the state in terms of an a priori argument based directly on public choice theory, and, in particular the work of Buchanan and Tullock (1962). Briefly, public choice theory applies methods of economics to the study of political and administrative behaviour. It originates with Professors Gordon Tullock (editor

of Public Choice) and James Buchanan, formerly of Virginia Polytechnic Institute and State University and now located at George Mason University in Virginia.

The essence of public choice theory has been summed up by Buchanan (1980: 19-27) who identifies its two major elements as the catallactics approach to economics (or catallaxy as Hayek terms it) and the classical homo economicus postulate concerning individual behaviour. 'Catallactics' is the study of institutions of exchange which Buchanan deems the proper object of research and inquiry in economics. It allegedly rests on the principle of spontaneous order most thoroughly developed in the work of Hayek. Gray (1984:31), elaborating the notion of spontaneous order in Hayek's thought, writes:

The most explicit and systematic development of the insight that order in society is a spontaneous formation is given by the economic theory of market exchanges, where the thesis that unhampered markets display a tendency to equilibrium is its most obvious application.

In Hayek's thought the spontaneous order conception applies to physical systems (eg. crystals, galaxies) as much as to social life (eg. the growth of language, the development of law and emergence of moral norms)<sup>3</sup>. It may be questioned, however, whether the exemplars in social life that Hayek provides are of a piece, whether the spontaneous order conception as it applies to the institutions of the market and language, for instance, are similar, or based on the same principles.

Buchanan's and the public choice school's innovation is to apply this spontaneous order conception beyond simple exchange (two commodities/two persons) to complex exchange and finally to all processes of voluntary agreement among persons. Buchanan (1986:20) writes:

By a more or less natural extension of the catallactic approach, economists can look on politics and on political processes in terms of the exchange paradigm.

This is the case so long as collective action is modelled with individual decision makers as the basic units. Politics is then confined to the realm of non-voluntary relationships among persons - that is, those relationships involving power or coercion. Normative implications are derived from public choice theory which carry with them an approach to institutional reform. To the extent that voluntary exchange is valued positively while coercion is valued negatively, public choice theorists favour market-like arrangements and/or the decentralisation of political authority.

The constitutional perspective is said to emerge naturally from the politics-as-exchange paradigm:

To improve politics it is necessary to improve or reform the rules, the framework within which the game is played ... A game is described by its rules, and a better game is produced only by changing the rules. (Buchanan, 1986:22).

Buchanan (1986), following Wickseil (the Swedish economist and precursor of public choice theory), states that if reform in economic policy is desired we should look to the rules through which economic policy decisions get made, look to the constitution itself.

The second element is the behavioural postulate, known as homo economicus, that is the modern 'rediscovery' of the main tenet of classical liberal economics that people should be treated as rational utility-maximisers in all of their behaviour. In other words, individuals are modelled as seeking to further their own interests (defined in terms of measured net wealth positions) in politics as in other aspects of behaviour.

Both the egalitarian critique and public choice theory are directly reflected in the Treasury's notion of 'capture'. A reoriented version of the 'consumer capture' idea is found, according to Bertram (1988:143), in Treasury (1987), in the form of an a priori argument based directly upon the work of Buchanan and Tullock (Treasury 1987, Vol. 1, p. 52):

... a key characteristic facing Government is the tendency for groups in society to lobby the Government to secure policies to their benefit, frequently at the expense of other groups in society. This could lead to the adoption of policies which are not in the collective interests of

society ... The need is to have institutional arrangements which allow conflicts of interest to be settled in line with legitimate collective goals rather than in ways which favour legislators or public servants or some sub-group of voters.

The difficulty with this analysis, Bertram (1988) points out, is that it involves a nonsequitur - the conjecture that government is subject to pressures exerted by self-interested groups does not imply or establish the further conjecture that government normally surrenders to such pressures. In order to establish the case,

the government failure conjecture has to be rooted in an appropriate theory of the state, and buttressed in each particular case by sufficient empirical evidence ... (Bertram, 1988:144)

The Treasury provides no evidence of the performance of New Zealand Politicians and bureaucrats to establish either leg of the argument.

The problem of supply-side or 'provider' capture (closely modelled on Buchanan's notion of 'rent-seeking' behaviour) in the Treasury's view is to be tackled by restricting the extent of government action (the minimal state) and by changing the rules of the game: that is, devising a tightly defined set of constitutional constraints to reduce discretionary decision-making.

In terms of public choice theory, then, the Treasury argues for

minimal government, confined mainly to the determination of individual rights, and for maximum exposure of all providers to competition or contestability as a means of minimising monopoly power and maximising consumer influence on the quality and type of services provided (Bertram, 1988:150).

Closely associated with these ideas is a deep suspicion and scepticism of pluralist democracy - of the possibility, in principle of the state distilling and advancing a coherent conception of a shared, consensual 'public interest' in a society like New Zealand's divided along lines of race, class and gender.

It is not difficult to see the application of public choice theory in the Picot Report. Its theoretical underpinnings have not been made explicit but they clearly issue from a New Right perspective, and constrain both the results of an analysis of the present system and the proposed reforms of educational administration. They are evident in the initial terms of reference which, in apparently neutral language, talk of 'delegating responsibility as far as practicable' while, at the same time, 'increasing powers' of local schools and parents. The New Right theoretical underpinnings are also evidenced in the core values of 'choice' and 'individual competence'.

The Taskforce believes that in creating more 'consumer choice' in the system it will ensure greater equity. What is the basis for this claim? No empirical evidence is forthcoming. That the notion of more 'consumer choice' may result in greater efficiency is a reflection of a theoretical predisposition to favour market-like arrangements. It gains surface 'respectability' by being run together with the claim for creating greater equity. In practice, it is difficult to envisage how more 'consumer choice' will lead to greater equity: in fact, the reverse seems more likely given the existing inequalities among school communities and the way in which economic restructuring has marginalised small towns and rural areas. The capacity to make a genuine choice is severely constrained by existing inequalities. The Royal Commission on Social Policy (Vol II: 805) indicates that while 'choice' is an essential principle of social provision, it is not an absolute. The Commission states three important qualifications:

First, social control may require the restriction of choice of some persons in terms of wider community interest. Second, choice must not be encouraged at the expense of an equitable distribution of services ... Third, in some localities such as isolated rural areas, only one form of provision may in fact be feasible (emphasis added).



Choice, defined in terms of consumer sovereignty, does not automatically lead to greater equity. Indeed, within the present educational system, the hypothesis that more consumer choice will lead to greater inequity is a better theoretical hunch.

'Cultural sensitivity' here is also misleading, for the Picot Report effectively excludes the educational interests of Maori people and cuts across the principles of the Treaty of Waitangi. It does so by implicitly accepting, a priori, simplifying assumptions about rational behaviour of individuals - so-called postulates of homo-economicus - and by defining in classical liberal terms the notion of rights strictly in terms of the individual. Both of these assumptions are open to serious question.

In the first case - that of behavioural postulates concerning Economic Man and rationality - the unit of analysis is either the individual or the firm, in production, and either the individual or the household" in consumption. The use of the term 'Economic Man' summarises the reduction of cultural, gender and family attributes into one individual who is described as masculine and is probably also white and wealthy. This reduction reflects the lack of any collective dimension in explaining behaviour. By accepting a priori assumptions about human behaviour explained solely in terms of an individualist, self-interested, economic rationality the Picot Report screens out different cultural values (especially Maori ones), and also different potential accounts of the behaviour of people as social beings who act out of motives (such as kinship obligations, family duty, altruism, fraternity, etc.) different from those of simply maximising their own personal economic and welfare interests.

In the second case, it is clear that there are good grounds for considering the notion of 'rights' in collective terms, as belonging in some instances to the group.

Henare and Douglas (1988:132), for instance, consider the relation of indigenous group status to the notion of rights:

The sovereign state is the most readily accepted example of a collective entity with rights. Sovereign states are 'persons' in international law, and as such have legal rights. But there are other examples of groups which have rights such as the joint stock company, and, it is contended, so too do ethnic and minority groups.

Following Van Dyke's (1982) set of criteria for determining a code of group rights, it is evident that the collective rights of Maori people lie in the rights of self-determination, of some form of political communalism, in institutional arrangements to preserve language and cultural identity, and in policies of affirmative action to redress effects of past discrimination. These rights have been totally ignored by the Picot taskforce.

Still further the influence of the New Right - and in particular public choice theory - can be readily seen in the taskforce's implicit acceptance of the Treasury's notion of 'capture'. It is addressed in Section 3 of the Report under problems of 'Overcentralisation of Decision Making' and its administrative consequences:

A highly centralised system is particularly vulnerable to the influence of pressure group politics. Such a system encourages pressure groups representing consumer, professional or geographical interests to exert pressure at the centre. As the distribution of resources is largely predetermined, such pressure will tend to consist of building up or protecting existing rights and attempting to capture any extra resources which may be available. (Picot Report: 23)

The Report states that provider interest groups are better organised and financed than consumer interest groups, and that the former are able to exert greater pressure in policy-making at the centre to secure their own interests. Officers of the Department are said to 'identify strongly with providers of education' (p. 24).

As with the Treasury's rendering of public choice theory, the Picot Taskforce provides no evidence to sustain the conjecture that the Department of Education normally or frequently succumbs to pressures of interest groups exerted at the centre, or, indeed, that officers identify with provider interest groups. Yet these unsubstantiated assertions become the basis for the move to a

'minimal state' in Education and a new Ministry where constitutional constraints are introduced to effectively reduce discretionary exercise of decision making. Public choice theory as adopted by the Treasury provides the political rationale for returning consumer power to parents over provider groups, for abolishing Education Boards and intermediate structures between the state and individual 'learning institutions' and for streamlining the Department of Education into a smaller Ministry; with, paradoxically, greater power both to address national issues and to intervene at the periphery.

Broadly speaking, then, and in total accord with policies Advocated by the New Right, we have in the Picot Report an Alternative to the educational voucher plan advocated by Friedman (1962) which achieves many of the same ends.<sup>4</sup> The underlying reason for the 'failure' of state education, Friedman (1962) argues, is that parental power has diminished in direct proportion to increased power of officials and professional educators. The solution according to Friedman is to return purchasing power to parents. In broad terms, the Picot Report establishes this objective. In fact the proposed reform of educational administration outlined by the taskforce has a number of similarities to a proposal advocated by Butler et al (1985) from the Adam Smith Institute. Green (1987:163) reports:

The Adam Smith Institute has advocated an alternative to the voucher plan which would achieve many of the same ends. They advocate changes in the composition of school boards of governors. Boards would consist overwhelmingly of parents with children at the particular school and would be elected by postal ballot ...

The head would become the equivalent of a chief executive responsible to a board of directors. He would control the curriculum, timetable, discipline, and run the school ... The local education authority would lose control of these matters, but would continue to finance schools through a block grant calculated on a per capita basis.

A major advantage of the Adam Smith scheme (and the proposed Picot reforms), according to Green (1987) is that it may not attract such widespread hostility from teachers' unions (see also Levitas, 1986:84-86). In a universe of pluralistic interests, the state can export the crisis of efficiency outside itself (Lankshear 1988), ridding itself of the commitment to an escalating fiscal responsibility, whilst retaining political control of the nature of diversity in individual 'learning institutions' through its exercise of rational technocratic concern over national criteria for objectives and national standards. A centre/periphery model can establish a 'minimal' state, limiting intervention to the redistribution of purchasing power and enabling individuals to exercise their rights as consumers within a pre-determined system of institutional constraints and incentives. A centre/periphery model, as described by the Picot taskforce, may effectively streamline decision-making. It may also lead to greater efficiencies but it will undoubtedly increase the power of the Ministry in setting the ground rules of the 'constitutional' process in education.

## **The Politics of Community**

In a series of three papers to the Royal Commission on Social Policy (1988a,b,c), we examined the notion of community, its various conceptions embedded in the major paradigms of social policy analysis, and sought to develop and defend an 'empowerment' version of community which has been the basis of our recent carried out in collaboration with teachers of oral Maori in Tai Tokerau, Northland (Marshall & Peters, 1987).

The first paper was concerned to problematise the 'move' to community as a broad based response to the alleged crisis of the welfare state. We noted (1988a: 657) that

the philosophical differences between different conceptions of community require investigation as do the official reasons which serve as a basis for advocating the 'move' to community.

Further, we noted that, since the late 1970s, the notion of community has increasingly figured in the debate on the 'crisis of the welfare state'. In discussions of 'privatisation' and of the imbalance



between social expenditure and available receipts the notion of community has been appealed to as a positive defence of the welfare state (Le Grand & Robinson, 1984). Donnison (1984:50) mentions 'community development' as one of four closely associated initiatives that reformers are taking which bear some resemblance to 'privatisation':

least clearly defined in institutional form but most radical in its implications is the movement for community development.

The other three he mentions are: decentralisation of public services; the development of economic opportunities; and the creation of new forms of enterprise.

While some have appealed to 'community' in both a practical and theoretical sense as part of a series of new developments or initiatives to overcome the crisis of the welfare state from an economic point of view, others, mainly social theorists, have criticised the effectiveness of social policy as regards both delivery and redistribution on the one hand, and its so called 'perverse' effects on the other. At the heart of these criticisms are arguments about the effects of social policies in terms of income and cultural distribution about the elitism and bureaucracy of the welfare state, about the need for deinstitutionalisation - all of which, sometimes quite explicitly, point to the 'community' solution in terms of the better delivery of services, or the devolution of power, or the development of a more pluralistic society.

The notion of community as a social ideal is theory-laden (Kamenka, 1982). It is an essentially contested and contestable concept (Plant, 1974: 1980) with a cluster of complex descriptive meanings. It effectively functions as ideology. While the notion covers the spectrum of social policy areas its use in understanding, legitimating or providing guidelines for social policy is problematic. Both Price (1977) and Plant (1974:1980) consider that the concept of community, of all concepts of socio-political theory, is the least articulated. Plant's (1980) analysis of how the notion figures in the major categories of political thought - conservative, marxist, liberal and social democratic - is instructive for our purposes. Such categories of political thought are, of course, closely related to the major paradigms of social policy analysis, although there has been some difficulty in arriving at a satisfactory categorisation. Taylor-Gooby (1981) puts forward the 'perspectives' of individualism, Reformism, and structuralism, but as McLennan (1984) points out, by doing so he confuses normative and analytic elements. Further, 'reformism' is a political notion, whereas 'structuralism' can include both right and left wing. Room (1979) comes closer to Plant (1980), suggesting 'liberal', 'marxist' and 'social democratic' frameworks for social policy analysis, although McLennan (1984:138) takes him to task for smuggling 'implicit theoretical preferences into a description of competing "schools" without rigorously comparing them'. McLennan's (1984:138) own preference is for a threefold division among conservative (including modern neoliberalism), socialist and pluralist discourses where 'pluralist' stands for the social democratic perspective defined by the central idea that there are a number of competing interest groups in society where rival claims must be rationally balanced against one other in order to preserve and develop a general sense of unity.

McLennan's (1984) categorisation is not too far removed from Plant's (1980). The main differences are that McLennan prefers to include neoliberalism under the 'conservative' label and subsumes 'social democratic' under the more general category of 'pluralism', whereas Plant, despite his fourfold categorisation, tends to treat the 'liberal' and 'social democratic' positions together.

It is not the purpose of this paper to spell out in detail the various conceptions of community embedded in these various paradigms (see Peters & Marshall 1988a). It suffices here simply to draw attention to the fact that liberalism and, in particular, neoliberalism (which revives classical doctrine looking to the free-market mechanism as a superior allocative device and the basis of a self-regulating social system) cannot articulate a coherent notion of community which is fully consistent with a strong commitment to individualism. At best, market-oriented versions of community reduce the notion to a set of unintended economic and contractual outcomes. In market forms of mutuality, it may be admitted, a degree of interdependence exists and the satisfaction of one individual's economic wants might vicariously entail meeting another's needs but such 'limited' forms of

community suffer a fatal flaw. As Plant (1980:232) explains, market versions are not able to realise theoretically that

Community is not just a matter of particular outcomes, but of right intentional relationships that involve benevolence, altruism and fraternity ... It is difficult to see how a concept of community can operate without making some reference to the values [other than merely economic ones] in terms of which members of the community perceive themselves in relation to one another.

Price (1977: 2), following Wolff (1968), argues that the concept of community provides the basis for a critique of liberalism, offering a promising alternative to modern liberalism's ideals of private satisfaction and public justice:

The 'communitarian' critique has confronted the ends of liberalism, and the notions of man and society on which they are premised, much more directly than have most theories of distributive justice or the public interest.

Ultimately, Plant (1980) forces a claim on the consistent liberal to recognise certain universal needs, and argues that welfare is to be seen as a right (understood as the satisfaction of these needs) rather than a communitarian ultra-obligation. While it is true that, historically, there has been no automatic right to welfare (just as there was no automatic universal suffrage), social struggles have forced a claim to welfare and its 'rightness' into both the statute books and political theory (McLennan, 1984:122).

In our second paper (Peters and Marshall, 1988b: 693) we noted:

The neo-liberalistic move to 'community', inherent in Treasury documents and touted as new developments in the welfare state and as initiatives to overcome the alleged 'crisis' of the welfare state, are in effect policies which will undermine these rights and the legitimacy of claims to these rights. Historically, and if carried through, the neo-liberal move to community will divest people of hard won, historically important, and fundamental rights.

This conclusion was based upon an examination of the Treasury's view of 'community'. We identified the Treasury's position as one which aggrandises and privileges values of the private and the individual over the public and the community. That social policy ought to be predicated upon assumptions of individualism is presented without argument. The individual is seen as 'the most important element in promoting welfare' and the 'well-being of individuals' is regarded as 'the logical starting point' for an analysis of social policy (Treasury, 1987:401, 405).

While Treasury attempts to buttress its highly individualistic bias in the realm of social policy by recourse to liberal thinkers and their arguments in the field of ethics and political theory and by a synthesis of rights and contract theory (Paper Two: Annex), the driving force of the logic behind Treasury's adoption of individualism as the logical starting point of social policy is, theoretically, to exclude any fullblooded notion of community and to view welfare and social well-being as a product of individual choice and contract within a free market economy. Community appears as 'interdependence' – an outcome of individuals pursuing their own economic self-interests.

In other words, if Treasury were to fully embrace the position they advocate without concession or qualification; and if Treasury were logically consistent in terms of the underlying philosophical principles espoused in *Government Management* (1987) there would be little or no basis for social policy and -only a minimal role for the state in this area. The implication is that only when the individual can freely exercise his/her choice in, for example the marketplace of health or education, will (s)he be able to maximise private welfare interests. A market-oriented view of welfare faces the major contradiction of using a market mechanism to address those social problems to which an imperfect market has given rise. The growing regional imbalances, the recent marginalisation of rural towns and communities based on one major industry, and the structural differences between high and low income groups are market consequences.

We argued that 'the policy maker faced with the prospect of developing a community approach to social policy is presented with two major problems. First the concept of community must be

located within a social theory. Second there is the practical problem of identifying what counts as community' (Peters and Marshall, 1988b).

Neo-liberalism, starting from a priori individualistic premises is unable to arrive at a logically consistent or intellectually 'rich' notion of community, or, indeed, to offer a coherent picture of 'the social' except, incidentally, as the outcome of 'freely' contracting individuals. This is the essence of the objection to the approach which informs the Picot Report. By adopting individualistic values and assumptions, as an approach to the issue of efficiency in educational administration, the taskforce redefines schools as competitors within an educational market. Parents as consumers exercise their rights construed in terms of purchasing power to determine the nature and quality of services available. But we are totally removed from the notion of community here, for self-interest exercised in the market militates against any sense of a developed communal interest. Moreover, the method of resource allocation, independently of its outcomes, is intrinsically at odds with benefits accruing across the community. In the subordination of equality to efficiency communities will not be empowered to deal constructively and cooperatively with local problems: rather, existing pressure groups will refocus their interests on the local level, exercising direct appeal to consumers.

We identify a number of related characteristics which can serve as a set of criteria for the identification of community in response to the second difficulty. These criteria are not intended as a set of necessary and sufficient conditions for identifying 'community' but bear a 'family resemblance' and are seen as a set of pragmatic indicators. They involve community in terms of location; socio-political networks; local association; state institutions; social structure (class); sentiment, culture, and as implying certain processes of education.

Given the general 'pessimistic' tone on the concept of the community in the preceding pages, it is hardly surprising to find that there is little or no attempt in Picot to articulate a concept of community. At best it seems to be used in the sense of 'location' (e.g. p. 5.8.1). Yet if there is to be a contract between the community and an institution - the charter (p. xi) - as a partnership (4.3.1). then some notion of the nature of community is surely required. At 1.2.2 and 1.2.3 we are told that the community is composed of consumers free to choose in a market environment. Here we see the input of homo economicus since 'only if people are free to choose can a true co-operative partnership develop': i.e. only if people - consumers - are maximising market forces in their own interests can there be a true partnership between the institution and the community. Homo economicus then becomes a necessary condition of an educational contract between the institution and the community. These are impoverished and abhorrent concepts of community, of human beings, and ultimately, of education.

What of the notion of community as sentiment, concerned with a genuine sense of 'we' and 'ours'? It is a sense of unity, solidarity, togetherness and social cohesion brought about by a sense of belonging. These feelings, attitudes and motives can bring people together (Peter & Marshall, 1988b: 686).

What of community as culture (ibid.), whereby cultural values, beliefs and practices are the cornerstone of community and not some peripheral issue to be dealt with when times are 'better' - presumably when homo economicus is maximising market forces in the pursuit of personal interests. Maori, as tangata whenua, obviously fit into this notion of community as culture but not so obviously into the notion of community as consumer (See Graham Smith's discussion of these issues).

What of the notion of an educative community (ibid.) which provides a fundamental basis for the maximisation of all other characteristics, including, we believe, an acceptable form of homo economicus (and not the version introduced above and presumed by Picot)? We believe that this notion, involving as it does the development of a proper literacy, and reflection upon the socio-historic conditions which have produced communities, permit, through collaborative democratic decision making, the enablement and empowerment of people.

There is a vacuum here in neo-liberal thinking. The notion of rational chooser making wise consumer choices presupposes a sound data base for such choices. But (s)he may not have the power or resources to construct any such data base nor, given some data base, the power or resources to make any such meaningful choice.

The form of this individual's choice may well depend upon filtered, paternalistic and elitist knowledge. For example, as a consequence of the ideology of schooling as the only provider of education, choice becomes a choice between schools and not, for example between schools and other forms of education (Illich, 1972; Harris, 1979). Starting from a Freirean consciousness raising and liberating education the choice would be different: between schools and education through productive work as in Nicaragua and Grenada (Toures, 1986). Even John Dewey has much to tell us here on genuinely vocational education (Dewey, 1916: Chap. 23).

Picot does appear to address issues of the education of the community, commenting on the difficulty under present structures of obtaining information about rules and criteria defining entitlements (3.4.1). where and how decisions are made (3.4.2), and on standards (3.4.4). Yet this is directly related to the ability of consumers to be able to influence institutions through choice, 'rather than play pressure group politics at the centre' (3.4.5), and not to address genuinely educational matters. Picot further proposes the notion of wider Community Education Forums (5.8.1). These are to be 'set up on the initiative of the community' (5.8.3), to collate views on education, initiate policy ideas and to settle local conflicts of interest. Its budget is to be used mainly on communication (5.8.3). But what happens if there is no community initiative? Are they not necessary?

There is no suggestion that these Forums have an educative function in the community. Indeed it has already been presumed that the members, as consumers, can make responsible choices (1.2.4-5). i.e. that they do have sound data bases upon which to make informed choice. The historical tragedy of all this is that some people do and some people don't! If Treasury and Picot are really concerned with 'middle class capture' surely their concern should be repeated at this local level, at the very level at which 'community' policies and initiatives will be formulated. In other words we believe that these Community Education Forums, without a genuine notion of community as educative will reproduce these historical features of ideological control of schools. This ideological control will be masked and mystifying, masquerading as the will of the people, in the name of 'community'. Plant (1980) notes that 'community' effectively functions as ideology and this charge we believe is well substantiated by the Picot document.

What safeguards are built into Picot's notion of community and the selection of Boards of Trustees to secure wide representation across race p gender and class? Will Boards of Trustees meet the standards of Equal Employment criteria for instance? Given that there is no clear notion of 'community' in this Report then what sense can be made of turning the responsibilities for schools back to the community? Very little we would argue, though there is not the space here to do so. Briefly, schools will be controlled more closely from the political centre of government through curriculum guidelines o vetting of charters, audit, and national examinations. Control from the Minister (a politician) on schools will become more direct, efficient and politically effective. The mystifying concept of 'community' will hide and direct attention away from the more direct, efficient and politically efficacious insertion of mechanisms of control deeper into schools and the social body. If this is not the intention it is certainly a possible outcome. History would indicate that the possibility would be turned into fact.

The outcome of this critique is essentially that not merely has the Picot Report not articulated a concept of community but that, given its neo-liberal individualist and economic assumptions, it cannot articulate a concept of community that is any more than a collection in a location of individual consumers reacting to market forces and maximising their personal interests. We have attempted to critique this impoverished notion by outlining its economic and individualistic assumptions and by alluding to wider conceptions of community to indicate its social and philosophical impoverishment and how notions of social control and governance will be driven

deeper into the social body. In Peters & Marshall (1988a) we outline how such social structures will begin to construct controlled and governable individual consumers à la Picot. Contrary to these notions, in Peters & Marshall (1988b, c; see also Marshall & Peters, 1985) we advance an opposing concept of community and associated practices which are, we believe, genuinely enabling and empowering for all people.

Such views need be no further to the left than those of the liberal philosopher and educator, John Dewey who, writing earlier this century, attacked this neo-liberal view of the individual. For example, he argued that this view of the individual as free from social and economic control to maximise interests is itself dependent upon socio-historical conditions. These have changed, Dewey argues. Hence, for Dewey (1963:34) the new right would be, absolutists holding that

beneficial social change can come about, in but one way, the way of private economic enterprise, socially undirected, based upon and resulting in sanctity of private property – that is to say, freedom from social control.

What they failed to see, Dewey argued, was that liberty can only be achieved by eliminating particular oppressive forces, especially economic forces, in particular situations, and that new right consumer-individuals legitimated in the calls of choice, responsibility, initiative and independence, would actually destroy individual virtues such as these (Dewey, 1963:38).

To treat liberty as historically independent of historical conditions was to assume, along with the founding fathers, that democracy was a once and for all given. (Dewey, 1937:238)

The trouble, at least one great trouble, is that we have taken democracy for granted; we have thought and acted as if our forefathers had founded it once for all. We have forgotten that it has to be enacted anew in every generation, in every year and day, in the living relations of person to person in all social forms and institutions.

The lesson we take from Dewey here is not just that post-Picot we need to re-examine the notion of the individual (or of course, community) but that also Picot clearly reminds us that we in New Zealand need also to re-examine our concept of democracy.

## Notes

1. See Peters and Marshall (1988d) for a systematic attempt to provide a set of guidelines for analysing and critiquing policies and programmes with reference to the notion of a pre-existing policy context.
2. The 'New Right' is a populist label applied to the contemporary rejuvenation of classical liberal economic theory principally evidenced in the work of Friedman and the Chicago School; Buchanan and Tullock and the 'Public Choice School'; Hayek and the Austrian school; and the British Institute of Economic Affairs.
3. Gray (1984:33-34) distinguishes three elements of the Idea of a spontaneous social order in Hayek's work:
  - i. The invisible hand thesis (after/Nozick) that social institutions arise as a result of human action but not from human design;
  - ii. The thesis of the primacy of tacit or practical knowledge - a thesis which maintains that the knowledge of the social world is embodied first in practices and skills and only secondarily in theories;
  - iii. The thesis of the natural selection of competitive traditions in which 'traditions' 'are understood to refer to whole complexes of practices and rules of action and perception and the claim is that there is a continuous evolutionary filtering of these traditions'.

It is ultimately on the basis of this argument, originating in a critique of Cartesian rationalism, that Hayek, (in contradistinction to Buchanan and the public choice theorists) claims that we must give up the modern ideal of an interventionist public policy and replace it with an ideal of cultivating general conditions within which benefits might be expected to emerge.



4. See Walker (1984) for a well-conceived account of the political economy of privatisation. He argues that "The position that any nation occupies on the continuum between public and private welfare ... rests primarily on dominant values and ideologies, including attitudes towards the role of the state, individual freedom, private enterprise and paid employment ... These depend, to a considerable extent, on the particular balance of the conflict between the dominant and subordinate classes in that society" (Walker, 1984:27).

He identifies two strands to the policy of privatising social services. A reduction in the welfare activity of the state is based on three main assumptions: that public services stifle individual initiative and responsibility; that the private sector (with the exceptions of defence and law and order) is more efficient than the public sector; that the 'non-productive' public sector is a cost burden on the 'productive' private sector. The drive to increase the efficiency of the public sector is not concerned with how to determine priorities based on need so much as re-legitimizing 'economic' or 'least-cost' efficiency which is an integral part of the recapitalisation strategy:

'In the realm of social policy, this means, in Titmuss's .... stark terms, "the philistine resurrection of economic man"' (Walker, 1984: 30) Walker finds both strands of the argument for privatisation to be wanting.

5. Le Grand & Robinson (1984: 6) classify three kinds of privatisation as those involving (1) a reduction in state provision (2) a reduction in state subsidy, and (3) a reduction in state regulation. Privatisation schemes, they note, differ 'not only in the type of state intervention whose reduction or elimination they require but also (in what is proposed in its stead)'. Replacement of the state by the market is only one policy option amongst a range and 'mix'. The Picot Report's rationale for reform is caught under (3) above but may also provide a future basis for eventual change under (1) and (2).

## References

- Bertram, G. (1988) 'Middle Class Capture: A Brief Survey'. In *Future Directions Vol.III, Part Two, Report of the Royal Commission on Social Policy, April, Wellington: Government Printer, 109-170.*
- Buchanan, J.M. (1986). *Liberty, Market and the State: Political Economy in the 1980's.* Brighton, Sussex: Wheatsheaf Books.
- Buchanan, J.M. and G. Tullock (1962). *The Calculus of Consent: Logical Foundations of Constitutional Democracy.* Ann Arbor: University of Michigan Press.
- Butler, E. Pirie, M. & Young, P. (1985). *The Omega File* London; Adam Smith Institute.
- Dewey, J. (1916) *Democracy and Education,* New York: MacMillan.
- Dewey, J. (1937), *Education and Social Change,* *The Social Frontiers* 3. May 1937
- Dewey, J. (1963). *Liberalism and Social Action,* New York: Capricorn Books.
- Donnison, D. (1984) *The Progressive Potential of Privatisation.* In: Jo Le Grand and R. Robinson (eds.) *Privatisation and the Welfare State.* London: Allen and Unwin.
- Friedman p M. (1962). *Capitalism and Freedom.* Chicago: Chicago University Press.
- Gray, J. (1984). *Hayek on Liberty.* Oxford: Blackwell.
- Green, D.G. (1987), *The New Right: The Counter Revolution in - Political, Economic and Social Thought,* Brighton, Sussex: Wheatsheaf Books.
- Harris, C. K. (1979) *Knowledge and Education,* London: Routledge and Kegan Paul.
- Henare, M. & E. Douglas (1988). 'Te Reo O Te Tiriti Mai Ra Ano - The Treaty Always Speaks'. In *Future Directions, Vol. III, Part One, Report of the Royal Commission on Social Policy, April.*
- Illich, I. (1972), *Deschooling Society,* Harmondsworth: Penguin
- Kamenka, E. (1982) (Ed.). *Community As a Social Ideal* London: Arnold.
- Lankshear, C. (1988). *Administration by Abdication: A Perspective on Picot'.* Education Department. University of Auckland. Available from author.
- Le Grand, J. (1982). *The Strategy of Equality.* London: Allen and Unwin.
- Le Grand, J. and R. Robinson, (1984). 'Privatisation and the Welfare State: An Introduction'. In: J. Le Grand and R. Robinson (eds.). *Privatisation and the Welfare State.* London: Allen and Unwin.
- Levitas, R (1986). 'Competition and Compliance: The Utopias of the New Right?'. In: R. Levitas (ed.) *The Ideology of the New Right.* Cambridge, Polity Press, 80-106.
- McLennan, G. (1984). 'Arguments About Welfare: Theoretical and Conceptual Issues'. In: *Social Policy and Social Welfare, Block 2, Issues in the Study of Welfare.* Milton Keynes: The Open University Press. 12-17.



- Marshall, J.D. and M.A. Peters, (1985). Evaluation and Education: The Ideal Learning Community'. *Policy Sciences*, 18(3): 263-288.
- Marshall, J.D. and M.A. Peters (1987). *Te Reo O Te Tai Tokerau Project*, November. The Department of Education.
- New Zealand Treasury (1984). *Economic Management*. Wellington: Government Printer.
- New Zealand Treasury (1987). *Government Management: Brief to Incoming Government, Vols. I & II*. Wellington: Government Printer.
- O'Higgins, M. (1985) 'Inequality, Redistribution and Recession: The British Experience 1976-1982', *Journal of Social Policy*, 14, 3: 279-307.
- O'Higgins, M. (1987). 'Egalitarians, Equalities and Welfare Evaluation', *Journal of Social Policy*, 16, 1:1-18.
- Peters, M.A. and J.D. Marshall (1988a). 'Social Policy and the Move to "Community"', In: *Future Directions Vol. III. Part Two, Report of the Royal Commission on Social Policy*, April. Wellington: Government Printer, 655-675.
- Peters, M.A. and J.D. Marshall (1988b). 'Social Policy and the Move to "Community": Practical Implications for Service Delivery'. In: *Future Directions, Vol. III. Part Two, Report of the Royal Commission on Social Policy*, April. Wellington: Government Printer, 676-702.
- Peters, M. A. and J. D. Marshall (1988c) 'Te Reo O Te Tai Tokerau: Community Evaluation, Empowerment and Opportunities for Oral Maori Language Reproduction'. In: *Future Directions, Vol. III, Part Two, Report of the Royal Commission on Social Policy April*. Wellington: Government Printer, 703-743.
- Peters, M. A. and J. D. Marshall (1988d). 'The Search for a Well-Defined Social Problem in Policy Analysis and the Politics of Interpretation'. Revised version of 'Conceptual Review: The Search for the Well-Defined Problem', submitted on request to the Royal Commission on social Policy, 1987. Available from the Authors.
- Plant, R. (1974) *Community and Ideology: An Essay in Applied Social Philosophy*. London: Routledge and Kegan Paul.
- Plant, R. (1980) 'Community and the Legitimation of Social Policy. In: R. Plant, H. Lesser and P. Taylor-Gooby (eds.) *Political Philosophy and Social Welfare: Essays on the Normative Basis of Welfare Provision*. London: Routledge and Kegan Paul: 204-222.
- Price, D.E. (1977). *The Quest for 'Community' and Public Policy*. Bloomington, Ind.: The Poynter Center.
- Room, G. (1979). *The Sociology of Welfare*. Oxford: Blackwell.
- Royal Commission on Social Policy (1988). 'Social Provision: Access and Delivery'. In: *Future Directions, Vol. II, Report of the Royal Commission on Social Policy*, April. Wellington: Government Printer, 771-811.
- Taylor-Gooby, P. (1981) 'The State, Class Ideology and Social Policy', *Journal of Social Policy*, 10; 433-451.
- Taskforce to Review Education Administration (1988) *Administering for Excellence: Effective Administration in Education*. Wellington: Government Printer.
- Torres, Rosa Marie (1986). 'Education and Democracy in Revolutionary Grenada'. *Access*, 5 (1).
- Van Dyke, V. (1982). 'Collective Entities and Moral Rights: Problems in Liberal-democratic Thought', *The Journal of Politics*, 44: 21-40.
- Walker, Alan (1984). 'The Political Economy of Privatisation'. In: J. Le Grand and R. Robinson (eds.), *Privatisation and the Welfare State*, London: Allen and Unwin: 19-44.
- Wolff, R.P. (1968). *The Poverty of Liberalism*. Boston: Beacon Press.

## Appendix

The Taskforce to Review Education Administration was announced in July 1987. Its terms of reference (in part) were to examine:

- the functions of the Department of Education with a view to decentralisation
- the work of the governing bodies of all educational institutions (other than universities) with a view to increasing their powers and responsibilities
- the Department's role in relation to other educational services
- the territorial organisation of public education
- any other matters that warranted review

The taskforce was chaired by a prominent businessman, Brian Picot. Its report was presented in May 1988, with the title *Administering for Excellence*.

The Picot Report's proposals involve what are probably the most far-reaching changes in the administrative and financial structures of public education since the state primary system was set up in 1877. In order for their effects to be seen adequately, Figure I shows the current structure of education,<sup>1</sup> while the other figures illustrate the new proposals.

What follows is a brief account of the major proposals.<sup>2</sup> The cornerstone is the learning institution (hereinafter called the school, though it includes early childhood institutions, polytechnics and teachers colleges).

1. Schools will be run by a Board of Trustees, consisting of five elected parents, the principal, a member of staff and, in secondary schools, a student representative.
2. Schools will operate under a Charter of objectives, to be prepared (within national guidelines) by the trustees and staff. National guidelines would include teacher/pupil ratios and CORE curriculum. Charters would have to be approved by the Minister of Education, though they would be unique to each school and reflect local needs.
3. Instead of receiving a small discretionary fund, as they do now, schools will receive a bulk grant designed to meet virtually all expenses - salaries, maintenance, equipment, etc.
4. Use of these funds will be entirely at the discretion of Boards of Trustees.
5. Schools will be subject to biennial review by an independent Review and Audit Authority responsible to the Minister. The review will include a financial audit and an assessment of performance in terms of the charter.
6. Charters must be culturally sensitive and take account of the needs of all groups within the catchment area.
7. A Parent Advocacy Council (responsible to the Minister) is proposed, to act as mediator in cases where groups of parents feel their needs are not being met by the local school. Where mediation fails, groups representing 21 or more children may be assisted to set up their own school or a 'school within a school'.
8. District based Community Education Forums are recommended. Their major functions are to provide venues for educational Debate, and to promote resource sharing among schools.
9. The central Education Department will become a much smaller specialist Ministry of Education, having three divisions: policy, operations, and property management.
10. An Education Policy Council is recommended. Its members would be the Ministry's chief executive officer, the three senior managers, two members appointed by the Minister and two elected. All policy advice to the Minister would come through this group.
11. The 10 Education Boards will be abolished. It is suggested that they might reconstitute themselves as Education Service Centres, contracting out their skills and services to individual or groups of schools, or, indeed, to any other customers.

12. Boards of Trustees will appoint principals, who would be on term contracts. Principals would become more responsible and accountable for management of schools and staff. They would appoint most staff.
13. Teachers Colleges should become semi-autonomous colleges of the universities.
14. Specialist advisers (psychologists, visiting teachers, speech therapists, advisers for handicapped, deaf and visually impaired children), currently employed by the department, should receive a retainer amounting to 40% of the cost of their services. This would be in the form of a contract with the Ministry. The remaining 60% would be bought by schools from their bulk funding grant, and by individuals.

### *Post-Script*

In its deliberations, the task force considered some 700 submissions. At the time the report was published, further public submissions were called for. Subsequently, the Minister of Education has spoken of there having been more than 20,000 submissions. Whatever the effect of these, a further document<sup>3</sup> has recently been produced, and presumably reflects settled policy. This document refers only to primary and secondary education (working parties have been established to consider early childhood and post-compulsory education). With this proviso, all the proposals listed above have been accepted in detail, with the following exceptions:<sup>3</sup>

- the Parent Advocacy Council (rec. 3) is to be responsible to Parliament, not to the Minister
- there will be no Education Policy Council (rec. 10). Responsibility for policy advice will be in the hands of the proposed Ministry
- specialist advisers (rec. 14) will be grouped together in a 'free-standing, self-administering' Special Education Service, to be 80% centrally-funded, the remaining 20% to be contracted by schools. The position is to be reviewed in two years time.

### **NOTES**

1. Figures I-VI are copied from the Picot Report, to which acknowledgment is duly made.
2. What follows draws heavily upon a summary of the report, subsequently published by the Department of Education.
3. Rt Hon. David Lange, Minister of Education. *Tomorrow's Schools: The Reform of Education Administration in New Zealand*. Wellington: Government Printer. August 1988. This was published after the contributors to this volume had submitted their papers.

Figure I Education Administration in New Zealand<sup>1</sup>

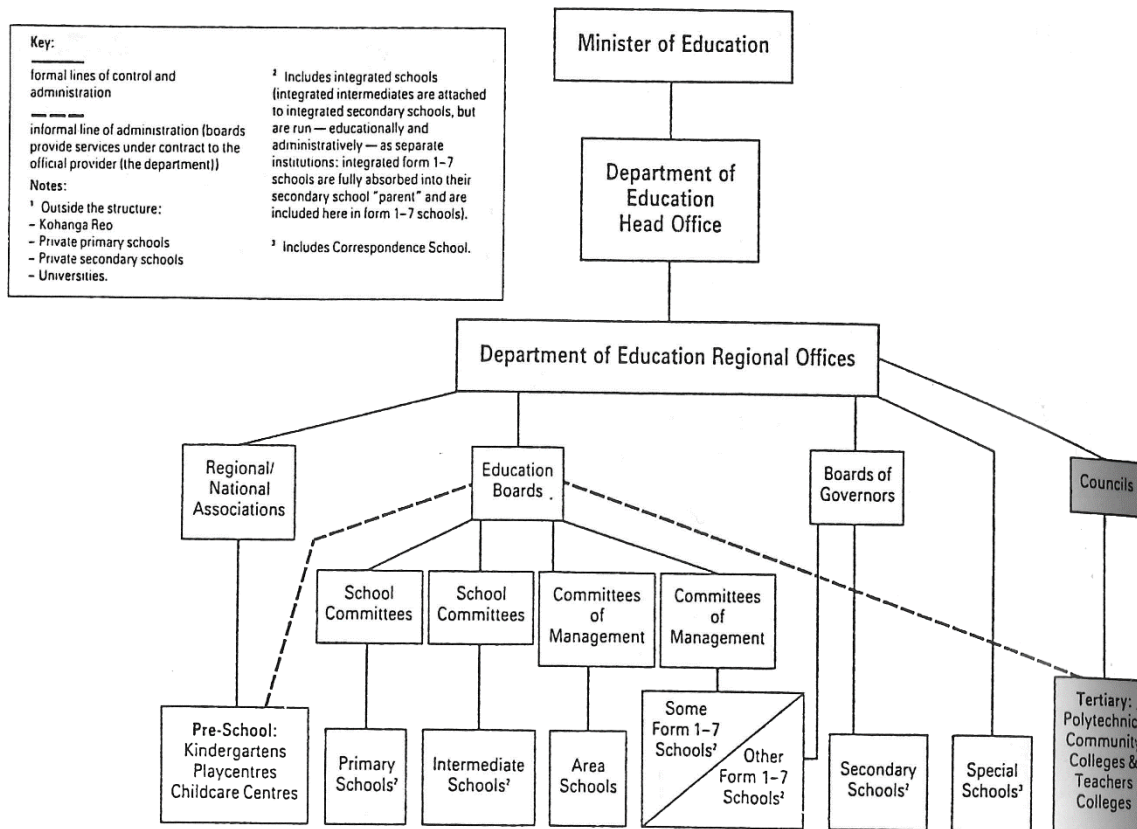


Figure II Lines of Accountability

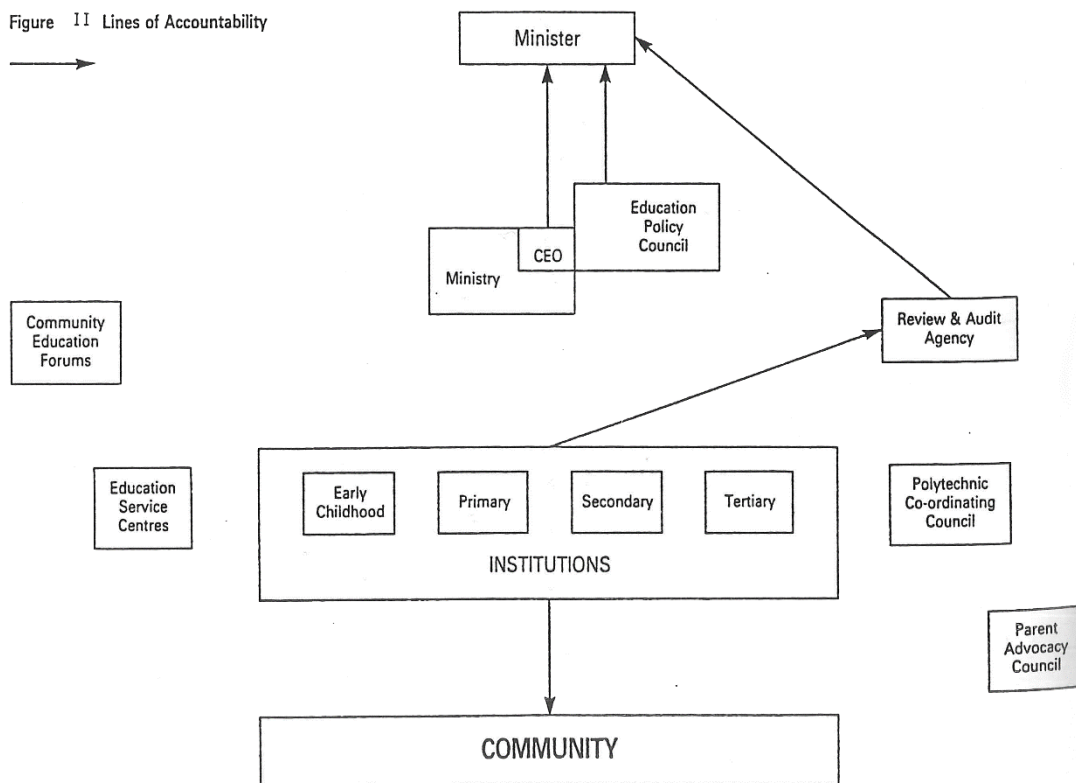


Figure III Lines of Authority

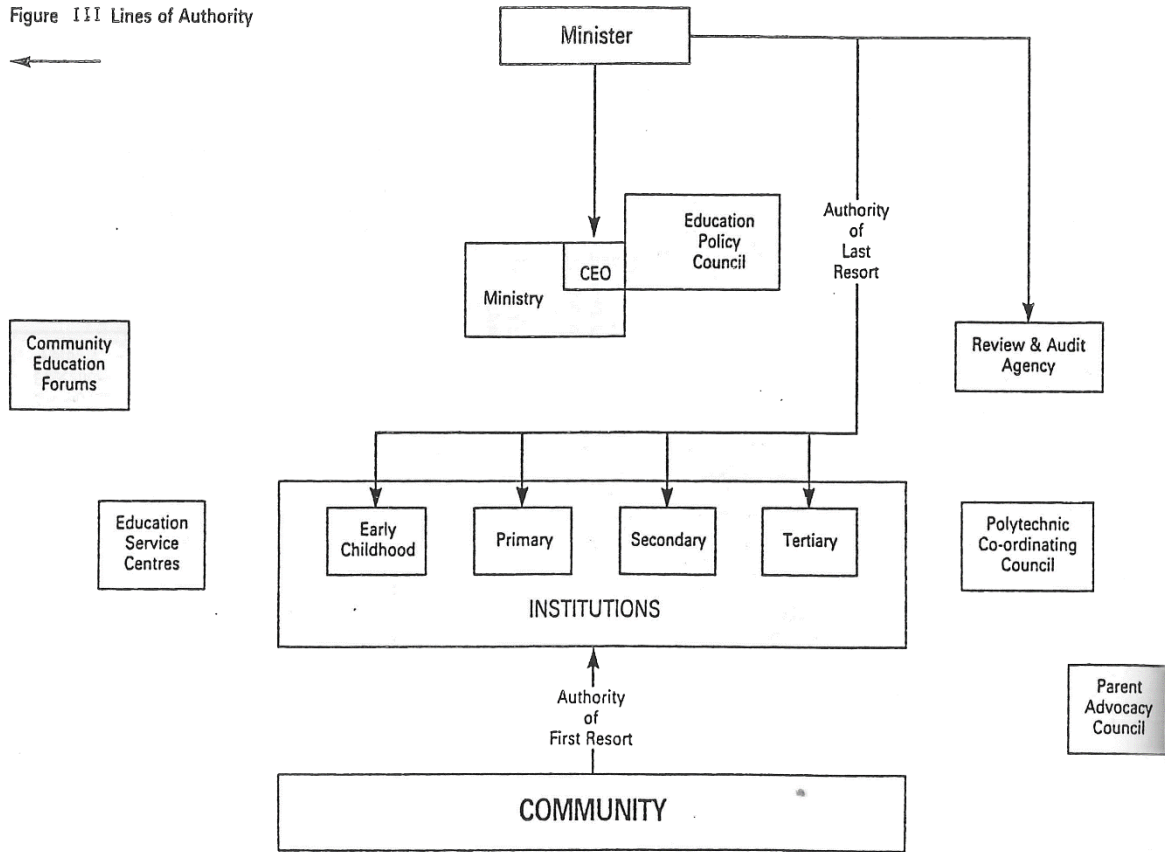


Figure IV Policy Flows

→ Policy Inputs  
 ← Policy Implementation

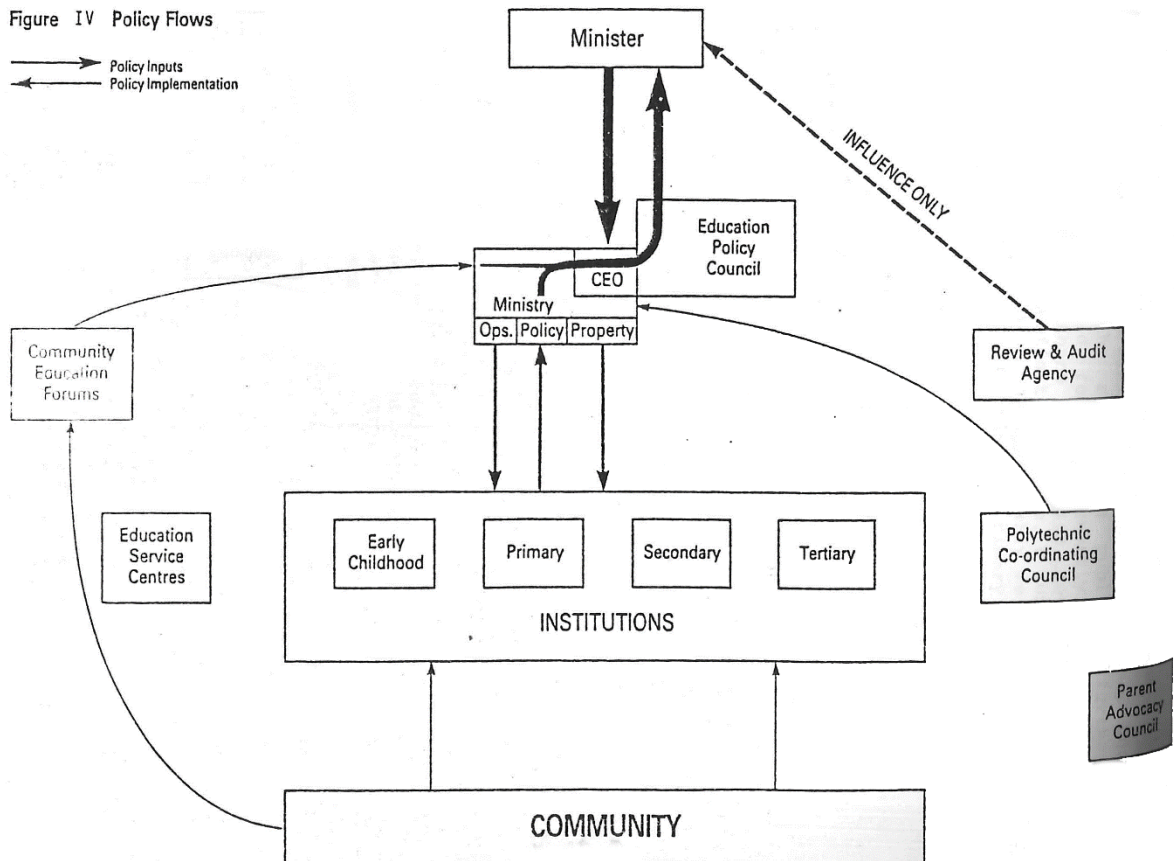


Figure V Institution Funding Flows

 Funding Recommendations  
 Funding Flows to Institutions

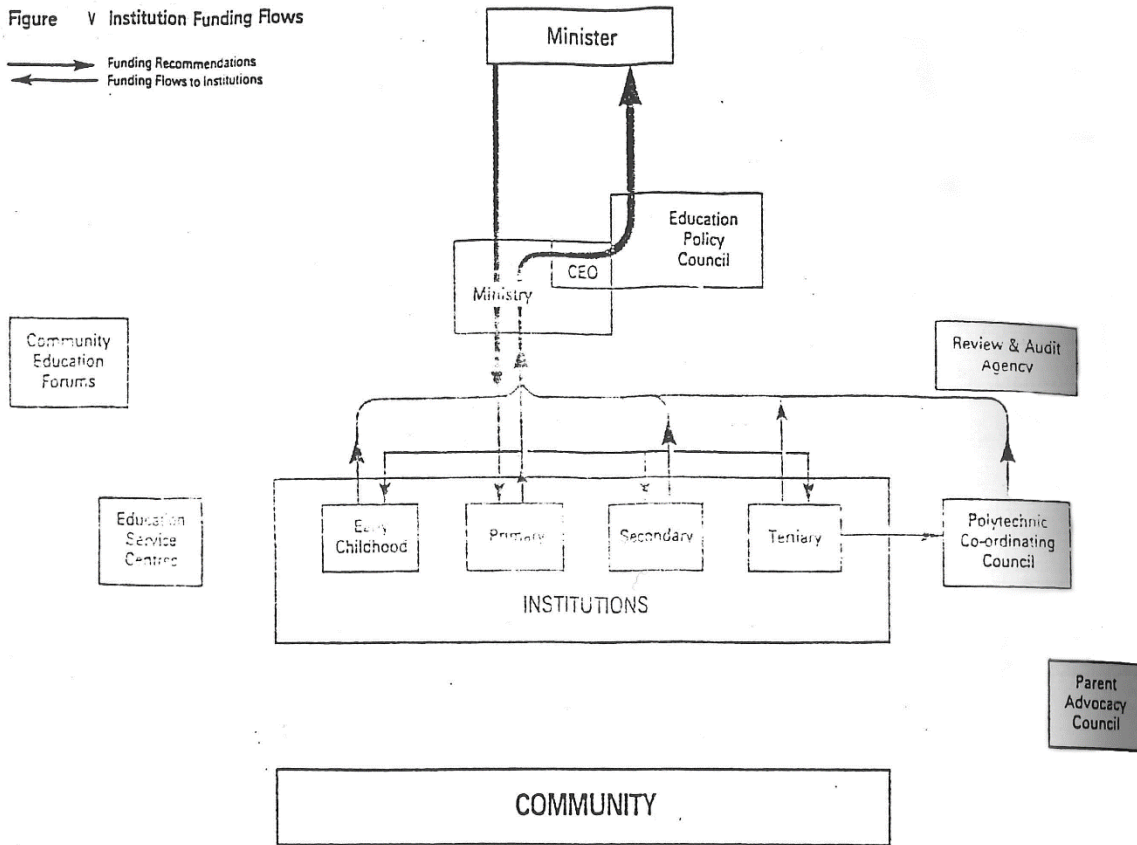


Figure VI Servicing and Support Relationships

 Lines of servicing and support

