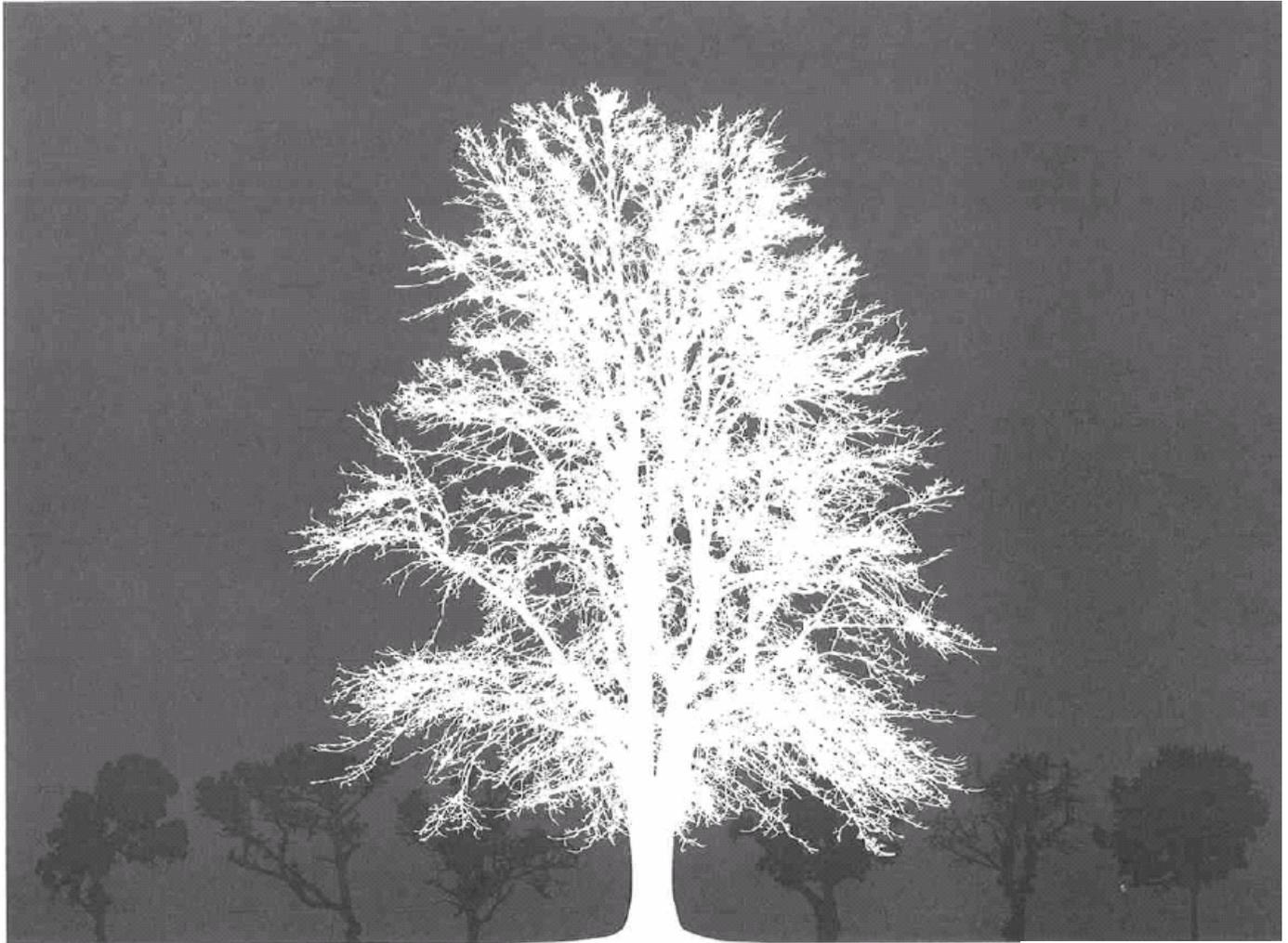


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‘After Neoliberalism’?

- The reform of New Zealand’s university system

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**‘After Neoliberalism’?
- The reform of New Zealand’s university system**

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This working paper series is published by the research unit "Transformations of universities and organizations" at the Department of Educational Anthropology at the Danish University of Education. The series brings together work in progress in Denmark and among an international network of scholars involved in research on universities and higher education.

"Transformations of universities and organizations" aims to establish the study of universities as a field of research in Denmark. The field has three components: International and national policies to revise the role of universities in the knowledge economy; the transformation of universities as organizations; and changes in teaching and learning in higher education. The research unit aims to understand each of these components in the context of the others and explore the links between them. The central questions are: How are different national and international visions of learning societies, knowledge economies, and new world orders spurring reforms to the role and purpose of universities and to the policies and practices of higher education? How do university reforms introduce new rationalities of governance, systems of management and priorities for research and teaching? How do managers, researchers, and students negotiate with new discourses, subject positions and forms of power arising from university reforms? What kinds of changes are students, academics and university managers themselves initiating, and how do these interact with reforms coming from governments and international organizations? This interaction is central to the work of the research unit.

The unit draws together ideas and approaches from a range of academic fields and collaborates internationally with other higher education research environments. Currently the unit's main activity is a research project, 'New management, new identities? Danish university reform in an international perspective' funded by the Danish Research Council (2004-2007). The unit holds seminars and there is a mailing list of academics and students working in this field in Denmark and internationally.

Members of the unit include professor Susan Wright, Danish University of Education, associate professor John Krejsler, Danish University of Education, assistant professor Jakob Krause-Jensen, Danish University of Education, Ph.D. student Gritt Bykærholm Nielsen, Danish University of Education, and research assistant Jakob Williams Ørberg, Danish University of Education.

Further information on the research unit and other working papers in the series are at <http://www.dpu.dk/site.asp?p=5899>. To join the mailing list, hold a seminar or have material included in the working paper series please contact professor Susan Wright at suwr@dpu.dk or at the Danish University of Education, Department of Educational Anthropology, Tuborgvej 164, 2400 Copenhagen NV, Denmark.

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Introduction: Neoliberalization and the New Zealand Experiment

The title of this paper should be read either as irony or as a statement of extreme optimism.¹ If neoliberalism describes a phase of economic and social history then we are clearly not out of the woods yet, despite the claims of Prime Minister Helen Clarke that the New Zealand era of neoliberalism is now over (2002: 463). In fact the word 'neoliberalism' is itself misleading and problematic as it tends to encourage an idea of something universalizing and monolithic; a singular phase through which a great many advanced industrial nation-states have passed - or will soon be passing. Like Peck and Tickell (2002: 463) and Larner and Walters (2004: 411) I prefer to use 'neoliberal' less as a noun than as a verb, i.e. 'to neoliberalize' (or to use the more passive tense, 'to be subject to' the discipline of neoliberal reforms). 'Neoliberalisation' generally refers to a multi-faceted and continually changing set of processes which assume different forms in different countries. This is also the sense in which geographers like Peck and Tickell use the concept of 'neoliberalization' i.e. to refer to a set of processes that may have lasting effects on the structure and organization of the economy, systems of management, and the constitution of individuals as persons. It is by studying those effects in their minutiae that we can track the contours of much larger and more diffuse 'macro' processes of globalization and capitalist modernity

The reform of New Zealand's tertiary education sector provides an important site for studying the trajectory of those processes that we have come to associate with neoliberalization. During the 1980s, New Zealand earned the dubious accolade of having been the prototype for the development of many of the free-market ideals and practices of neoliberalism. The neo-liberal experiment in New Zealand was one of the most ambitious attempts at constructing the free market as a social institution to be implemented anywhere this century (Gray, 1999). The model which became known as the 'New Zealand Experiment' was hailed by the World Bank, the *Economist*, and the Organization for Economic Co-operation and Development (OECD) as an example for the rest of the world to follow (Kelsey, 1997: 62). As historian Jamie Belich (2001:412) summed it up, the 'notorious shortage of checks and balances' in New Zealand's political system meant that what for the rest of the world was a 'fad', in NZ became a 'fetish'.

Somewhat perversely, New Zealand's neoliberal experiment was spearheaded by a radical Labour government during the early 1980s, but was carried forward after 1990 by a more conservative and traditionally interventionist National government. The 1980s Labour government was the one which, under David Lange, held fast to an anti-nuclear policy, a position that has made New Zealand something of a pariah as far as the

¹ This paper was first presented at a research seminar held at the Danish University of Education in September 2006. I would like to thank colleagues there, particularly in the Institute for Educational Anthropology, for their helpful comments and questions.

US White House and Pentagon are concerned. Lange's powerful finance minister, Roger Douglas had become enchanted by the economic theories of the Chicago School. In New Zealand, Douglas's brand of monetarism became known as 'Rogernomics'. Like 'Thatcherism' in Britain and 'Reaganism' in the United States, this sought to 'roll back the frontiers of the state' through the deregulation of labour markets, the privatization of state assets, and a radical agenda of tight fiscal restraint. This of course resulted in the by-now familiar pattern of rising unemployment, misery and privation in the traditionally more 'protected' sectors of the economy. However, most New Zealanders would probably agree that (the pain of restructuring and the insecurities of 'flexibilization' notwithstanding), it did open up the country's economy and society in some quite beneficial ways. Prior to the 1980s, as Belich (2001:463) observes, New Zealand had been a somewhat homogenous, conformist, masculist, egalitarian, monocultural and colonial society subject to heavy formal and informal regulation, with a closed rural economy that was far too dependent on the UK market. By the end of the 1990s, the country had become, for better and for worse, one of the least regulated societies in the world, economically even more than socially.

Why NZ provides a useful case-study for Denmark

From a Danish perspective, New Zealand offers a number of significant points for comparison:

1. Like Denmark, it is a country with a relatively small population (4 million), but highly educated and with a high standard of living. In terms of GDP, it stands roughly in the middle of OECD rankings (i.e. 20th in 2006).
2. It is a country that has 8 universities, at least two of which were former agricultural colleges.
3. Alongside these universities there are a number of government-funded 'Crown Research Institutes' financed from the public purse, which compete for funding with the universities.

New Zealand's traditional economic strength has been its farming and agriculture sector: the country boasts arguably the most efficient dairy industry in the world. This has long been the country's largest foreign export earner, although recently the dairy industry has been overtaken by tourism. What the government terms 'export education' has also grown to become a significant earner (Ministry of Education, 2006: 453). Catering for the overseas student market is estimated to have contributed \$2 billion to New Zealand's economy in 2005.² As Dr. Michael Cullen, the Finance Minister (and

² There are about 90,000 international students from 150 countries currently studying in New Zealand's schools, public tertiary institutions, private training establishments and language schools. This represents a significant drop from the peak of 121,000 in 2003 (Cullen 2006). In August 2006, the Finance Minister, Michael Cullen, announced that as part of the government's drive to promote export education 'we will be lifting our profile in key overseas markets. Today I am announcing that the government will re-allocate \$1 million in Export Education Levy funds this and next financial year, towards supporting additional promotion and marketing activities. An extra \$200,000 will also be provided this year from Vote Education to support more promotion and marketing work in India. I have also asked my officials to

Minister for Higher Education), recently pointed out, ‘international education is our fourth largest export industry. It has a vital role to play in fostering linkages into the world and helping us to lift our own education and research standards. Attracting the best is therefore a critical part of our economic transformation agenda’ (Cullen, 2006a:438). Much of this growth has been due to Asian students (particularly from China) seeking professional qualifications from English speaking universities – and lured to New Zealand by promises of a ‘relaxing’ but educative experience in a pristine natural environment.³ This also helps explain why the New Zealand government has been such an enthusiastic advocate for the inclusion of ‘higher educational services’ in the recent round of World Trade Organization talks.⁴

Many of the neoliberal reforms currently being carried out in Denmark have already been extensively trialed in New Zealand. For example, the ending of government grants for students; the introduction of fees and student loans; the attempt to instill a more competitive ethos among university staff and students; the heavy emphasis on the commercial exploitation of academic research and closer ties between the universities and business. (Auckland University now boasts over 120 patents and has created its own private company - ‘UniServices’ - whose mission is to promote the ‘commercialization of intellectual property’ and to manage the University’s growing number of private financial contracts).⁵ Other neoliberalising innovations and competitiveness strategies include the devolution of university governance, exporting

investigate proposals to expand the existing scholarship programmes.’ Other international recruitment drives have included: Ministerial missions to be undertaken in 2006/07 to North Asia (including China) and Northern Europe and in 2007/08 to South East Asia and the Middle East, the implementation of an effective international media and communications strategy and the investigation of other promotional and marketing ideas.

³ For a good illustration of the way New Zealand is ‘packaged’ for the Asian export education market, see International Partners for Study Abroad (IPSA) 2006, ‘Learn English in Auckland, New Zealand’ (Advertisement on the web) http://www.studyabroadinternational.com/New_Zealand/Auckland/New_Zealand_Auckland.html (accessed 6-09-06)

⁴ As a 2002 UNESCO briefing document on education and ‘GATS’ declares: ‘Trade in higher education is a million dollar business. The demand for higher education, on the one side, is growing, while on the other side, trans-border education (e.g. private or for-profit higher foreign university campuses, IT Academies, twinning arrangements with other universities, corporate universities, virtual universities, open universities, e-universities etc.) is increasing. The capacity of the public sector has not kept up with this demand. This coupled with the recent developments of ICTs and the ensuing growth in online learning has resulted in the creation of this very lucrative market.’ Source: United Nations Educational, Scientific and Cultural Organisation (UNESCO), 2002, ‘Trade in Higher Education and GATS’, UNESCO webpage briefing on GATS. http://www.unesco.org/education/studyingabroad/highlights/global_forum/gats_he/basic_gats_he.shtml [Accessed 12/22/2006]

⁵ In 2003 alone, according to its annual report, UniServices filed 43 patents, a figure which it boasts is equal to that of Cambridge and other leading European universities (Auckland UniServices 2003, *Annual Performance Review*, University of Auckland: 1) http://www.uniservices.co.nz/uploadedfiles/uniservices/2003uniservices_apr.pdf Accessed 22/12/2006.

education, entrepreneurialism and the disciplining of staff through the use of auditing technologies, 'benchmarking' exercises, annual performance reviews, research assessment exercises and other calibrated measures of performance (Strathern, 2000:455). This privileging of economic competitiveness above all else has made New Zealand, in the words of Robertson and Dale (2002:463), 'arguably a paradigm case of neoliberal governance'.

What we see in New Zealand is a reflection of a more global process in which the traditional meaning of the university is shifting: from being primarily an instrument of nation-building and the cultural reproduction of a certain notion of 'national culture' and 'education for citizenship', New Zealand universities are increasingly being conceived of as transnational corporations competing in the global market for the provision of commercial educational services. While these trends are hardly novel or surprising, their effects on the culture of academia and on evaluations of what counts as proper 'knowledge' merits closer attention. As Lyotard noted some twelve years ago in his famous essay on *'The Postmodern Condition'*:

The question (overt or implied) now asked by the professionalist student, the State, or institutions of higher education is no longer 'is it true?' but 'What use is it?' ... This creates the prospect for a vast market for competence in operational skills (Lyotard, 1994::51).

Of course, knowledge ought to be 'useful'. But the issue now is not so much 'useful for whom' so much as *how is academic 'usefulness' to be evaluated or defined* in a world increasingly driven by the logic of free markets and *laissez-faire* individualism?

How has Neoliberalization Affected Tertiary Education in NZ?

At the risk of simplification (and following the well-marked footsteps of Larner and Le Heron (2005) we can identify three fairly distinct phases in the history of the neoliberalization of New Zealand's universities. First, the period between **1984-1989** is marked by the state's rapid withdrawal from areas of production whilst still trying to maintain its traditional welfarist and social justice aspirations. Second, the period between **1989- 96** where we see a more aggressive and punitive phase in which marketisation is extended, but coupled with the development of neo-conservative and more authoritarian social programmes. The third phase (**1997 – the present**) is characterized by an emphasis on forging partnerships, greater internationalization, and external commercial links with industry and government. However, what complicates this heuristic schema is the fact that these different phases (and their often quite contradictory agendas) have not so much *replaced* one another, but rather, have been 'added on' to one another.

Phase 1: 1984 – 1989

While much of industry and the state sector were being radically ‘marketised’, universities remained relatively un-touched by these processes. The New Zealand Treasury’s post-1987 ‘briefing’ advocated the separation of university functions into three areas: teaching, research and more general functions. Teaching would henceforward be funded by a declining government subsidy and increased student fees, while research was to be financed by competitive tendering for state funds and private contracts. The university sector remained relatively un-differentiated. Although universities generally catered for their particular regions, it did not particularly matter which university a student attended because each university taught a full suite of arts and science courses, and most universities were not ranked or differentiated by research-ranking exercises or competitive league tables. Tertiary education continued to be understood as a public good or service to be funded by the nation-state, rather than an individual economic investment. Elsewhere, however, the corporatization of the public sector was underway and greatly increased the power of managers, accountants and auditors over more traditional reliance on sectoral expertise.

Phase 2: 1989 – 1996

As in Britain, the radical rethinking of tertiary education was foreshadowed by government-sponsored reports (most notably the 1988 Hawke Report). The 1989 Education Amendment Act and 1990 Public Finance Act marked the beginning of a period of quite profound transformation. Over the next decade, New Zealand’s universities were to experience a variant of the process of commercialization that had reformed the rest of the state sector, with the introduction of new management practices of audits and benchmarking. Foremost among the key developments during this period were:

1. The introduction of new competitive funding regimes, with a corresponding emphasis on expanding student numbers
2. A shift in the role of the universities from ‘elite’ institutions to ‘mass’ educators. This ‘massification’ was driven partly by the new financial pressures, but it was also influenced by OECD reports that showed New Zealand’s low position in the tertiary participation league table compared with other OECD members. Since the increase in student numbers was not matched by a corresponding increase in staff, the result was a rapid increase in teaching loads for staff.
3. The introduction of a controversial student loan scheme.
4. The shift toward ‘EFTS-based funding’ (i.e. government funding for all of universities’ costs for teaching, research and overheads based on calculations of the number of their ‘Equivalent Full-Time Students’). Universities responded by expanding provision (not only via new courses, but by setting up satellite campuses, strategic alliances, and various capital works projects).

5. This increasing competitive, market-driven environment promoted the view of students not only as ‘consumers’ and ‘customers’, but as ‘units of economic resource’ for Departments and Faculties. This inevitably led to pressure on the universities to maximize recruitment by enlarging class sizes and introducing more popular programmes. Henceforward, a university’s success and financial vigour was largely calculated in terms of retaining ‘bums on seats’.

In this period we also witnessed the rise of quantitative indicators that would allow comparability across departments, faculties, governments. There was a new emphasis on formal student evaluations, driven by concerns over quality and by demands from university managers. During the mid-1990s, a system of annual staff performance appraisals (or ‘APRs’) was introduced. There were also the beginnings of formal benchmarking of departments and formal workload calculation models. In short, the technologies of New Public Management became more diffuse and widespread. As Larner and Le-Heron summed it up:

Overall, what happened during this second period was the recoding of diverse elements of the university into calculable and comparative terms ... and the introduction of a new generation of indirect governing techniques (Larner, 2005: 850).

What were the effects of this new competitive regime?

The general effect of this increasingly competitive environment on the identity, ethos and institutional self-understanding of New Zealand’s universities can be summarized in four points:

1. *Changes to professional relationships:* Among academics, these tended to become more competitive and less cooperative. The new funding system fuelled fierce competition not only between universities but also between (and within) Faculties. Departments became more ‘siloed and defensive’ (Larner and Le-Heron 2005: 850) – fighting with each other over control of courses. To give an example, as Head of the Anthropology Department, I have been involved in a major ‘battle’ with the Music Department over the past year. Internal university reorganization two years ago resulted in the transfer of Music out of the Arts Faculty and into a newly created National Institute for Artistic and Creative Industries (or ‘NICAI’). Previously, staff taught across the Departments and shared ‘EFTS’ income. But relations inevitably became more competitive and strained when Music moved faculties. The Head of Music, under pressure to generate more teaching income, saw the highly popular (and therefore lucrative) ‘Popular Music’ course as an obvious cash-cow. However, for historical reasons, these courses had always been taught by ethnomusicologists from the Anthropology Department. Having failed to persuade the University authorities that these courses really belonged to Music, he tried an alternative approach, and tried to recruit to his department the Anthropology staff member who taught the very large Stage 1 PopMus course, by offering fast-track promotion. As

was subsequently pointed out, this ‘poaching’ was not only ill-advised and un-collegial, it was also technically illegal – although given the market model of Departmental funding, it was probably quite rational and understandable.

2. *The introduction of a new ‘rationality of accountancy’.* Another effect of these changes was the introduction of greater ‘cost-consciousness’ into academia. Hitherto, Departments had had little control over their budgets as most items of expenditure (i.e. staff salaries and operational funds) were determined elsewhere. This is still largely the case in terms of salaries, but now Departments are expected to function as ‘cost-centres’ and manage their own ‘discretionary’ budgets and ‘operational’ funds. Heads of Department are regularly sent on training courses to learn about budgetary planning, handling temporary contracts, and the importance of maintaining financial health by meeting the annual ‘EFTs target’. All aspects of a department’s income are based on the number of EFTs it attracts to its degree programmes and to each course. Thus each department is in competition for students with others in the same subject across the country and with cognate disciplines in the same university. ‘Strategic academic planning’ and staffing decisions are invariably conducted in terms of a department’s economic opportunity costs. Departments that refuse to play this competitive game (or that play it poorly) either lose income from falling student revenue, or find themselves ‘punished’ by the withholding of extra resources.
3. *A new politics of audit and accountability.* A key aspect of the reforms has been the widespread introduction of principles and techniques of financial auditing into the governance of universities. These include ‘benchmarking’ and new systems for ‘performance appraisal’ that are designed to render all aspects of university work ‘commensurable’ (and thus numerically measurable) for the managerialist aim of producing competitive league-tables of ‘excellence’ (Selwyn, 1992:454). Academics are increasingly required to specify and quantify their ‘outputs’ and ‘learning outcomes’ and what is increasingly a ‘skills-based’ model of knowledge. Measures of productivity are typically read in terms of student numbers (i.e. the popularity of courses, and thus the income each course generates), but in recent years, a new set of performance indicators has been introduced so that research productivity and impact can be measured and assessed (more on this below).
4. *Greater internationalization:* New Zealand’s universities, which had traditionally been orientated towards the United Kingdom, started to recruit staff from more diverse overseas sources. During this period we also saw the rise of new transnational university consortiums such as APRU (Asia-Pacific Rim Universities), the Australian ‘G8’ grouping of elite institutions, and ‘Universitas 21’. New Zealand’s universities now habitually ‘benchmark’ themselves against the universities in these consortia – particularly those of Australia’s ‘G8’. The benchmarking mentality is used in contradictory ways by university managers (who typically stress the need for greater productivity) and staff (who see the data as evidence of chronic under-resourcing). For example, in 2005 the THES (Times Higher Education Supplement) ranked the University of Auckland 53rd among the

world's leading universities. The following year Auckland had climbed to 48th position. University staff and administrators were understandably pleased by this international recognition of their institution's standing and used these statistics repeatedly in their publicity and promotional literature. Interestingly, however, university managers seldom draw attention to statistical comparisons or benchmarks that challenge their policy priorities. For example, university managers' predilection for the higher-income earning faculties of Engineering, Medicine and Science meant that they have paid little attention to the much higher international status of Auckland University's Humanities and Social Sciences which were ranked 25th in the world in 2006. At the same time, the complaint often voiced by university staff is that New Zealand's universities receive only 60% of the funding of their Australian counterparts (although this comparison tends to be used as much as a boast as a lament).

Phase 3: 1996 – 2007

In the third phase the earlier initiatives are continued, but are complicated by an emphasis on 'partnering' and a new government narrative of the 'knowledge society' and 'global knowledge economy'. This brought with it a new institutional self-understanding, the core elements of which were evident in other OECD countries during the early 1990s (see Kelsey 1997; Lerner and Le Heron 2005). Bill Readings, writing almost a decade ago, summed it up thus:

The contemporary university is busily transforming itself from an ideological arm of the state into a bureaucratically organized and relatively autonomous consumer-oriented corporation. The sign of this transformation is the way in which appeals to the notion of 'excellence' drop from the lips of university administrators at every turn. To understand the contemporary university, we must ask what excellence means (or doesn't) (1996: 457).

Readings was wrong to juxtapose the 'consumer-oriented corporation' against the 'ideological arm of the state'. For New Zealand at least, these two agenda appear to have been successfully combined. Turning universities into 'consumer-oriented corporations' is precisely what the government's ideology of commercialism aims to achieve. According to the New Zealand Ministry of Education, universities are now expected to be prime movers in delivering the government's 'economic transformation agenda' (Tertiary Education Committee, 2006: 443). Henceforward, as Dr. Michael Cullen states, the mission of university education will be geared to 'equip the country with the kind of 21st Century skills needed to drive economic transformation ... and provide a 'bridge between the world of learning and the world of work' (Cullen, 2006b:423).

Thus, after 1996 NZ universities were increasingly positioned (and started to position themselves) as transnational commercial enterprises located in a competitive global knowledge economy. In this new narrative, 'universities are represented as a new agent

of national development – a key means of fostering international competitiveness and social cohesion in a global and turbulent world’ (Larner, 2005:852). Tertiary education institutions were thus encouraged to seek new ‘partnerships’, particularly with business and the private sector (but also with government agencies) because they were now continually under pressure to find new income streams. At the same time, they were increasingly shaped by the need to ‘manage risk’, but in a world where new kinds of risk have emerged that were previously unimaginable. We see this particularly in the way Heads of Department are advised to handle student complaints and ‘problem staff’, and in the actions of University Ethics Approval Committees. The University’s primary concern in each of these areas has little to do with health and safety or teaching or research quality *per se*, but a great deal to do with insurance indemnity and avoiding legal liability. One of the most popular ‘HoD Training Workshops’ that is put on every year at the University of Auckland is aptly titled ‘Avoiding Lawyers’ Bills’.

For the university, a key area of ‘risk’ is in terms of the reputation of the institution - and the impact that negative publicity can have on recruitment and market share. For example, in 2005 the Chinese press carried a number of stories about the poor quality of language tuition in some of New Zealand’s private tertiary education institutions. The result was a dramatic decline the following year in the number Chinese students coming to New Zealand. A high level delegation of ministers and vice chancellors was subsequently dispatched to China to try and ameliorate the damage and restore the reputation of New Zealand’s tertiary education sector.

What this means at the level of everyday life: some ethnographic illustrations

Let us turn briefly to consider some of the implications of these developments for students, academics, and other university employees.

1. Neoliberal spaces and the formation of new academic subjectivities.

One of the most obvious consequences of the introduction of this market model into the New Zealand university system is that academics are being compelled to behave in more entrepreneurial, individualistic, and competitive ways. Continuous surveillance and monitoring of individuals and their performance also has a profound effect on people’s subjectivities and behaviour, as Foucault demonstrated in his study of ‘panopticism’ and the history of the modern prison (Foucault, 1977:407; Shore, 1995: 446). It fuels what we might call, echoing Beck (1997:100) a ‘political economy of insecurity’. The internalization of external norms of audit and control work to induce an ethic of self-discipline and ‘continuous self-improvement’ – which, in turn, often leads to stress and burn-out. As with the spread of ‘audit culture’ in the British universities (Shore, 1999:87; Shore, 2004:441; Shore, 1998:456), New Zealand academics are made increasingly conscious that their activities and output are being monitored and measured

by anonymous Ministry of Education officials and accountants in the administrative offices of the Vice Chancellor's building (or 'Vice House' as it is colloquially termed).

In order to complete their degrees, students have been forced to accumulate large amounts of personal debt, thus encouraging an often reckless habit of borrowing and consumption against expectations of future income (albeit for the now more virtuous goals of self-improvement and investing in oneself). Government loan schemes have encouraged this, but these loans are far from 'interest free'. As one colleague summed it up with irony, student loans are 'a means of getting young people to finance their own unemployment in a period marked by the sustained loss of jobs and dissolution of the traditional apprentice scheme'.⁶ When these loans were first introduced, they were extremely low, and some students (no doubt acting with the kind of calculating financial acumen the government would approve of) took advantage by buying cars and even properties. But being exposed to financial risk has made many students wary about the 'market value' of the degrees they read, which has probably encouraged a more cautious and instrumental outlook on university education in general; a view much more attuned to the idea of the university as a commodity and economic investment rather than a social or intellectual good. In my experience, many students (but by no means all) have come to regard themselves at least partially as consumers and 'customers', although this is not necessarily an unhealthy development if it encourages expectations of quality teaching and provision from the universities.

2. The rise of new regimes of audit and accountability

In 2003, New Zealand introduced its first research assessment exercise, the so-called PBRF ('Performance-Based Research Fund'). Modeled on the Hong Kong and UK Research Assessment Exercise ('RAE'), the idea was to allocate a portion of the government block grant to Higher Education institutions for research performance, the quality of which would be measured and judged by national panels of experts appointed from the ranks of New Zealand scholars (Boston, 2005:448; Curtis, 2005:447). The portion of the block grant was to be 5% in the first year, increasing incrementally to 20% of overall government funding by year 5. Initially, most university staff broadly welcomed this as until 2003 funding had followed students which meant that all higher education institutions received the same amount of funding irrespective of whether they did any research or not. A recent report by the New Zealand Vice-Chancellors' Committee clearly shows that most of the increased investment in tertiary education after 2000 was channeled into the non-university tertiary sector and into 'tertiary-type B education', i.e. 'programmes based on practical, technical or occupational skills for direct entry into the labour market' (NZVCC, 2006:12), 'with New Zealand's universities further penalized by a funding model which does not recognize adequately the statutory obligations of universities to teach in a research-rich environment' (NZVCC 2006:1).

⁶ Lewis in Lerner and Le Heron (2005: 860 n.3).

New Zealand's university vice-chancellors and academics thus welcomed a change in the funding system that would produce a more strategic approach to research-led education. However, unlike the UK 'RAE' scores which measured overall departmental performance, the Performance-Based Research Fund (as its name suggests) reflected the performance of each *individual* staff member. Since this personal rating was deemed 'private' and 'confidential', however, the university staff unions were able to negotiate a deal which meant that nobody - apart from the individual concerned and officials at the Tertiary Education Council - was entitled to know the score. After the first PBRF round, university managers were imploring Heads of Department to take all necessary measures to improve departmental research ratings by focusing resources on those staff who were borderline and who might, just possibly, advance a grade. The problem was that unless staff voluntarily declared their scores, there was no way for the Head of Department to know (apart from guessing) on whom they should concentrate attention and resources in order to advance a grade.

Effects of the PBRF

When the 2003 PBRF scores were announced, the results showed that Auckland was by far the leading research university in the country, much to the surprise and annoyance of its principal rival, the University of Otago. Yet instead of bringing about stability or closure on the issue of international research standing, it soon became apparent (once the brief celebrations were over) that this was only the first salvo in what was to become an on-going process of performance appraisal and improvement, and a further round would be held in 2006.

The highly individualistic nature of the PBRF scores inevitably impacted on collegiality. Several academics who professed to have scored an 'A' rating used this to argue for special privileges such as a reduction in teaching loads or exemption from administrative duties. When the Faculty failed to meet these demands, some colleagues complained bitterly about the injustice of it all 'given how much money I am bringing into this University', as it was sometimes put to me as a Head of Department. The new institutional self-understanding of universities as commercial enterprises had clearly had an impact on the self-understanding of some staff. Those new to academia, by contrast, were not entered into for the PBRF and were therefore labeled as 'non-research active', a bureaucratic classification which many found upsetting and offensive (the system was later revised to include the category of 'New and Emerging' researcher). At the same time, Auckland's research success and financial reward led to the channeling of PBRF income into a central fund that was subsequently used for 'strategic hiring' of highly research-active staff from other universities in New Zealand. In short, it became a *de facto* transfer fund used to poach key players from rival universities. And in the run-up to the 2006 PBRF round, other universities have pursued this hostile recruiting campaign even further.

Perhaps the most noticeable effect was simply the amount of angst and anger that this system engendered. Much of this was due to the new computerized 'Research Information Management System ('RIMS'), which was supposed to simplify the

process of entering and checking one's personal data but perversely ended up making it much more complicated, time-consuming and stressful.

3. Contestation over the *meaning* of 'the University':

During 2005, while these PBRF pressures were building, university employees throughout the country were also engaged in a major industrial action. A year after taking up my post, and as a member of the Association of University Staff (AUS), I joined what colleagues informed me was the first university staff strike in over a decade. The cause of the dispute was only partly over pay and conditions. University pay scales in New Zealand have failed to keep up with inflation and are some 20-30% lower than comparable jobs in Australia, as I was frequently informed. This is another consequence of increasingly competitive 'benchmarking' exercises: staff unions have learned to play the 'benchmarking and ranking' game as well. But the strike was also focused on that familiar trade unionist talisman of 'collective' bargaining. Pedestrians in Auckland were thus confronted with the bizarre sight of hundreds of university staff, many dressed in full academic regalia, shouting in unison the ritual chant: 'what do we want? MECA!' When do we want it? Now!' 'MECA' in this instance was the acronym for 'Multi-Employer Contract Agreement' which the union was insisting on, rather than the 'divide-and-rule' tactics of each university negotiating its own local rates.

At roughly the same time (June 2005), the Vice-Chancellor circulated the new *University of Auckland's Draft Strategy Plan 2005-12*. For many staff, this document epitomized the new managerialist regime being introduced through the reform process. Its opening pages declare that the University's 'strategic goals', are to 'establish the University of Auckland as New Zealand's premier research university'. It also commits the university to achieving a PBRF ratio of 20% 'A's and 50% 'B's by 2006, and to increasing graduate completion rates to 800 MA and 500 PhD completions per year. Virtually every staff member that I spoke to thought these goals were hopelessly unrealistic. These and other criticisms were taken up in a formal letter of complaint to the University Chancellor signed by twenty-three Professors on the University Senate (Kelsey, 2005:439). One of the key aspects of the Plan that staff objected to was its 'narrow and instrumentalist' view of the university, its teaching, and its research. As the letter observed, the draft Plan was written entirely from the perspective of the Administration *being* the University. What it completely failed to recognize was that staff and students are what collectively *constitute* 'the University', not its governors or central management team. The letter reminded the VC that, according to the 1961 University of Auckland Act (section 3(2)):

The University shall consist of the Council, the professors emeriti, the professors, lecturers, junior lecturers, Registrar, and librarian of the University for the time being in office, the graduates and undergraduates of the University, the graduates of the University of New Zealand whose names are for the time being on the register of the Court of Convocation of the University of Auckland, and such other persons and classes of persons as the Council may from time to time determine.

In short, without its staff and students, ‘the University’ as a meaningful body ceases to exist. ‘In this document, however’, the letter continues;

the staff are treated as an individualized proletarian workforce that is subordinate to an organizational hierarchy of managers. This relationship is expressed in disciplinary language: staff are people ‘of whom the University must demand excellence’ (Draft Strategic Plan 2005:12); whose ‘reward systems’ are to be based on competition and reflect their individual value to the organization (2005:14); and who are to be ‘led and coached’ by managers to pursue the University’s strategic objectives (2005:14) (Kelsey, 2005:2)

This relegation of the role of academics to adjuncts of the university was not the result of an error or oversight. The same dualism can be seen in the University of Auckland’s Charter which lists the ‘staff’ as just one among some twenty ‘stakeholder’ groups who ‘the University’ identifies as people to be consulted.⁷ This is a key example of how the new neoliberal governance regime has redefined the idea of the university: from a corporate body composed primarily of teachers, students and alumni, ‘the university’ has come to mean a collection of stakeholders (including ‘accrediting bodies’, ‘industry and business organizations and employers’, ‘primary and secondary schools’, ‘other educational providers’, and ‘government departments and agencies’), to be managed by administrators according to the principles of financial accountancy and New Public Management.

The Plan’s narrow and instrumentalist conception of research was also singled out for criticism by the signatories to the letter.

Our research is treated as a commercial venture whose value is to be judged in terms of research income and scores on the deeply flawed PBRF ranking, while students are treated as a source of revenue. Constant references to competition, flexibility and individual merit clearly signal a desire to replace collective employment salaries and conditions with discretionary, individualized and differential ‘rewards’ for achieving these.’ Kelsey et al. 2005 ‘Submission on University’s Strategic Plan: 2) (Kelsey and Wills 2005:2).

⁷ University of Auckland 2006. ‘In developing its Charter, the University identified the following broad stakeholder groups: students, staff, alumni, Maori and Pacific Island communities, regional and community interest groups or organizations, professional groups and accrediting bodies, industry and business organizations and employers, primary and secondary schools, other educational organizations and providers, local government, government departments and agencies, research funders, Crown Research Institutes, and cultural organisations’, ‘Consultation undertaken in preparation of the Charter’, *University Charter*: 2006: 15).

The letter warned that the overall effect of this strategy would be to alienate rather than unite academics and general staff. It also noted the lack of recognition of the contribution of senior staff to the overall administration and governance of the University as ‘staff and managers’ are typically referred to as discrete entities. This critique of the University’s concept of ‘governance’ is important. As one long-time member of the University of Auckland Senate wrote in November 2006:

It is worth noting that many of the World’s great universities have been in existence for many hundreds of years and their collective governance using a Senate or similar structure to oversee the policy of the university has ensured that they have survived mad governments, civil wars and deluded vice chancellors much longer than any commercial corporation. We should go back to the historical model of collective governance before we risk destroying the institutions we all used to love.⁸

Another major criticism of the Plan was the absence of any stated ‘objectives’ reflecting the University’s role as a public institution and part of a *national* university system that is supposed to play a vital ‘public good’ role in the social and political (as well as economic) well-being of the nation. According to the 1989 Education Act [section 162(4)(a)], the university has a statutory obligation to accept the role as ‘critic and conscience’ of society and to respect the Treaty of Waitangi. Finally, criticisms were also raised regarding the Plan’s assumption that the aspiration to become the only truly world class university in New Zealand is best achieved by a corporatized model of the University, led by a de facto ‘Chief Executive’ who decides policy (accountable only to a Board of Directors) and Division Managers (DVCs, Deans and Librarian) whose role is to cajole and induce an intrinsically reluctant, menial workforce to do what is required by ‘the University’. That quest for international standing centres on the dubious science of international rankings, which are treated as valid measures of ‘quality’ despite the serious questions and controversies over their integrity and methodology.

To sum up, the draft ‘Strategic Plan’, in the opinion of the Association of University Staff, a large number of professors on Senate, and a larger component of the academic staff thus:

- a) equated ‘the university’ with its administration (the mouthpiece for which is the Vice Chancellor and his management team);
- b) reinforced a centralized, corporate model of control that gave virtually no consideration to the idea of collegial governance;
- c) placed the principles of competition and commercialization of research over those of collaboration with academic colleagues in other New Zealand universities and the pursuit of knowledge as a legitimate end in itself;

⁸ Unsigned letter posted on the internet by a ‘long-time member of the University Senate, who has witnessed the changes as they evolved over the years’ (November 2006). <http://www.geocities.com/hoodwinkedatauckland/GovernanceMatters.pdf> [Accessed 28-11-2006].

- d) ignored all the other public good functions of the university, and
- e) fetishized dubious international rankings of supposed research quality.

These criticisms did lead to a few minor amendments of the plan which, complaints and criticisms notwithstanding, was subsequently approved at the next meeting of Council in August 2005. What is perhaps more significant from an analytical perspective, however, is the new rationality of governance reflected in the plan: i.e. a new vision of the modern university as a centralized transnational business corporation operating according to the logic of the free market and New Public Management.

Conclusions: Whither New Zealand's Universities?

The account above gives some indication of the historical trajectory that New Zealand universities have followed over the past two decades as successive governments have tried to re-conceptualize and reform the university in order to meet the challenges of the supposed emerging 'global knowledge economy'. As I have tried to illustrate, the models being promoted are complex and sometimes contradictory. Despite their formal independence from government, universities have always served national policy agendas. In the past, that entailed nation-building, 'education for citizenship' and cultural reproduction of a canon of knowledge which was generally conceptualized in a national vein. Today, instead, following successive waves of neoliberalization and the apparent re-discovery of the economic and commercial importance of university knowledge (Peters, 2001:341), the government expects New Zealand's universities to lead its 'economic transformation agenda'.⁹ This entails not only developing closer relations with business and commerce and harnessing research more aggressively to commercial interests, but also producing the skills base for students to compete more effectively in the global knowledge economy. Yet at the same time, the universities are expected to meet a plethora of other government goals and objectives, including 'nation-building', 'Treaty obligations', 'international research excellence' and social integration of New Zealand's increasingly heterogeneous population. New Zealand universities are thus awkwardly positioned between two competing policy visions: as champions of wealth creation and innovation that will drive the NZ economy forward into the Knowledge-Economy and the dawn of a new era of internationalization, and as repositories of 'culture' and bastions for the maintenance of national unity, 'national

⁹ 'Tertiary Education Reforms: Overview Cabinet Paper' (released 27 July 2006: 1, paragraph 1): '...the changes to planning, funding, quality and monitoring of tertiary education will work together to create an investment system which supports the Government's social and economic goals, and in particular the economic transformation agenda'. Cited in NZVCC 2006: 1

identity', citizenship and social cohesion.¹⁰ No wonder staff are often left feeling bewildered and demoralized.¹¹

For many academics in New Zealand there is a sense of *déjà vu* in all this. During the 1990s, the government launched a 'Green Paper' on the future of tertiary education in which a number of radical ideas were mooted, including the re-organization of universities into competitive corporate entities governed by Crown-appointed boards, the exposure of universities to the full force of market forces, and a 'relaxing' of the traditional role of academics as the 'critics and conscience of society' (Pockley, 1998:427). What provoked particular controversy then was the 'proposal to transform the management of universities from self-governing councils, with strong academic representation, into companies ruled by boards appointed by government to ensure compliance with "national goals"' (Pockley, 1998:320). That proposal, which seems to characterize the way university governance has been progressively 'neoliberalized', went ahead and has now become normalized and accepted.

What we are also witnessing in New Zealand and beyond is an increasing internationalization of universities through strategic investment in technologies for the creation of a 'Virtual University' system. Rupert Murdoch, the Australia-born media baron, has linked his *New International* company with the 18-member university network *Universitas 21* in a move designed to capture the major share of the rapidly growing global market for online higher education (Fitzsimons, 2002:389). In 2001, the *Universitas 21* network was incorporated as a company in London. Murdoch's idea is to offer custom-designed higher education programmes over the internet aimed at college graduates who are already working, so that they can be awarded *Universitas 21* degrees. With over 500,000 students and 44,000 academics, *Universitas 21* would seem to be well positioned to capture a large slice of the global market. According to the Vice Chancellor of Melbourne University, distance-learning through e-education consortiums is the way of the future and may replace individual campus brands (Fitzsimons 2002:389) I think we can already see how these changes may be affecting the constitution of subjects who work and study in universities. As New Zealand academic, John Freeman-Moir (2005:451) observes, the question 'do I still work in a university?' is one that staff are increasingly asking themselves.

¹⁰ Among the core 'national goals' for the Universities outlined in the New Zealand Government's 2006 Draft Second Tertiary Education Strategy are 'economic transformation', 'families young and old', 'national identity' and 'increased collaboration ... between TEOs, CRIs and industry' (TEC 2006: 6)

¹¹ Steffan Collini (2003) makes the same point about university staff in Britain.

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