

The World of Education Podcast

Episode 1.2: The Jacinda Ardern Legacy

Guest: Dave Guerin, CE/Editor at Tertiary Insight.

Alex Usher (AU): *Hi, Dave. Welcome to the show.*

Dave Guerin (DG): Thank you. Good to be here.

AU: *Great. Well, listen, before we start, can you tell our listeners a little bit about the New Zealand system of tertiary education? What makes it different from the rest of the world?*

DG: I think there's a lot of similarities. Obviously, every part of a system has these little differences that matter when you're in it. But we have a university system, which is very similar to other anglophone countries or particularly to Australia and the UK. We have an Institute of Technology and Polytechnic sector, which is our vocational education sector, similar to community colleges. Probably the bigger difference there is since 1990, they've had a fairly strong focus on degrees, and so they've done that. We also had up until recently, which we'll get to a bit later, an industry training sector, which was responsible separately for running apprenticeships and other work-based training. That's now folded in with the ITP sector. We have two other parts. Private sectors wax and wane around the world quite often according to funding policies whether the government likes them or not and at the moment, the last 30 years, they've been on an upsurge generally and they have a significant international education enrollment as well as domestic and get funding from the government. But lastly, the most unique part is probably the Te Pūkenga system. So those are state recognized and funded and formally owned (but a little bit different) Māori focused institutions. Māori are the indigenous people of New Zealand. There are three of them. There were going to be more but the government started realizing they were costing a lot of money so closed the entry gates soon after they opened them. But there are quite a few private training establishments that are affiliated with Māori tribal entities.

AU: *And just to be clear, it's a three-year undergraduate system in New Zealand, not a four year one?*

DG: Yes. Three years, yes.

AU: *Okay, perfect. We'll you've talked a lot about how things have changed over the last 30 years in the waxing and waning in various things. Your governing labor party has traveled quite some ways in more than one direction over the last three or four decades. Back in the early 1990s it was a pretty neoliberal party, and it introduced tuition fees for the first time, if I'm not mistaken, around 1991-1992. But by the time Jacinda Ardern arrives as labor leader, the party has decided that tuition fees have to go. What does that journey look like? Why does the party change its mind over that period of time? What's the journey?*

DG: If you look back at the seventies around the world, we look at it as a difficult time. Oil shortages, stagflation, which we're back to now in some ways, but high inflation, oil shortages, and a whole bunch of problems just that had built up in the political systems we had around the world. In New Zealand, we had a reaction to that as a many other countries had, but because we're a small country, we have a single chamber government/parliament, so it's much easier to change things and flow change. So, they did. In the early eighties, we had wage and price freezes. We had huge sections of subsidies. We had very strong import controls, and the economy was just very controlled. The Labor Party came in and they wanted to free that up socially and economically. So a number of people did things at a traditional labor party or any traditional New Zealand party would not do. There was a backlash to that. I mean, we removed (I'll make a dig at Canadian dairy here), we removed all of our own farm subsidies within about a year or so in New Zealand and had not put them back in. So there was huge social backlash to that. There were a lot of redundancies. There were a lot of people unemployed and we had big problems. So while the main thrust of those reforms

happened, the Labor Party spent 10 or 15 years having an in fight. They've come back since the nineties to have a much stronger traditional labor approach. And so that's where we got to Jacinda Ardern talking about free tuition fees. In the 2000s, they introduced free interest on student loans. And so tuition fees was the next step for the leaders coming in in 2017.

AU: Okay. So, Jacinda Ardern gets elected in 2017. I think that's right. She wins. well, she came in second, I suppose, but she put together a coalition government. Part of her appeal in that election was a promise of free tuition to be instituted progressively over a number of years. Tell us about that promise and how it was meant to be implemented.

DG: I mean, I don't know how much difference the policy had. A lot of it was about presentation, right? Labor had a series of bad ministers or bad leaders who weren't bad, but they hadn't captured the public imagination. And then Jacinda came in with the same policies as had been there six weeks out from the election and suddenly blew the field away and managed to put together coalition. So, what we had was we had a three part policy: basically you had to keep electing them if you wanted to get more free fees. So, in 2017, you had one year of tertiary study was free. If you re-elected them in 2020, you get another year. If you only re-elected them in 2023, you get another year. And so it would be three years free education at the end. yeah. That's the core of the policy.

AU: That's pretty canny. I've never heard anybody do else do that. So I think that's kind of interesting. But then in 2020, there's a change of heart, right? The party walks back the free tuition pledge and says: "actually, what we really need to do is spend money on vocational education, because that's where dollars are needed most and that's where we've got skill shortages for a lot of people." I would say in North America who looked at New Zealand as this shining example of free tuition, this actually shocked a number of people. Tell us about that decision and what the repercussions were internally.

DG: I don't think anyone really cared, say the truth. It wasn't a big issue fairly enough. It really wasn't. I mean, the government in 2020, the government was spraying cash at anything that moved, or even if it didn't really there were huge wage subsidies going on. There was extra rental support. There was, you know, any, any part of life that you could think would be made difficult by Covid 19 or any peer project that something came up with that they could vaguely justify as being covid related was getting funding.

AU: We had that too.

DG: There was so much money going to the economy that no one was feeling particularly poor or put upon. And in any case, fees freeze wasn't a big deal. Another year of fee freeze wasn't going to be a big money spender. While the first year, you could see it reduced a barrier to education. It's harder to say that when you're looking at your second or third year, people are already in there and they have access to an interest free student loan scheme that covers all of the fees. So, very few people have to stump up with any money to pay their fees and because it's interest free and it's recovered via the tax system later on, it's a very simple and painless mechanism for most people. There is really the argument about does that upfront fee for someone on the margin are considering whether they go into tertiary education, does that make a difference?

AU: Dave, you were just explaining to us why maybe the best time to walk back a free tuition commitment is when you're at 50 or 55% in the polls. So there was a U-turn in 2020 but they didn't get rid of the first year free policy, right? So you still have this. I think you may be the only country in the world now that has a policy of one year free and the rest you actually have to pay for it. Have studies been conducted as to the benefits of this policy? What do we know about the benefits of one year of free tuition?

DG: There has been some work done, which is fairly inconclusive, really. I'd like to be able to say it says this or that, but it doesn't. The biggest effect we did see was an increase in the proportion of people going to university. So there was a shift within tertiary education market share towards universities. The key reason for that was that having free fees for that year really reduced the fear factor of going off and committing to go to university for those who didn't feel academically or culturally or socially prepared for it or felt it was a bit foreign, you know, and we've got many students in that space. Also universities generally charge the highest fees. So having free fees made it more attractive to make that jump.

AU: *Interesting. One other major policy change from the Ardern government was the decision to merge all of the country's polytechnics into a single national institution of skills and technology called Te Pūkenga. Two things: did I pronounce that right? And what can you tell us about this new institution?*

DG: No, the pronunciation wasn't great, but it's all about trying really. We don't really expect you to have it right first time, but to give it a go. It's Te Pūkenga and it's a long u and the NG sound is very difficult for people who are not familiar with it to deal with. It was a big shift made to merge most of the vocational education sector. So there were two types: there were 16 ITPs, Institute of Technology and Polytechnics, and I'll use that acronym for it now on, and there were about was 8 or 9 industry training organizations, ITOs. Industry training organizations, looked after apprenticeships and work-based learning, dealt with employers and apprentices and signed a three-way contract with them to get people through. The minister who came in, who's now the prime minister from this week or last week, he wanted to merge all those. Basically, he wanted to see more central coordination with the belief that it would lead to more effective uses of resources and more ability for the government to tell the sector what it wanted to do. He had been holding weekly teleconferences, weekly zoom sessions with the with the people responsible for that entity. So he really has been in boots and all. So, there was a big move to combine everyone, which of course is a huge job and difficult. So, it's still a work in progress. It's hard to say whether it's going to work or be a failure at the stage.

AU: *If you had to bet now, what would you say?*

DG: I think it will muddle through in the end. You've got people who care a lot and want to do things, but it's whether the system helps or hinders that. I just don't know. I try and avoid making calls too quickly on that stuff because it will take a long time to work it through.

AU: *Well, that's probably wise. So apart from all this discourse: one of the biggest issues of the last six years has been COVID and New Zealand's system of quarantine which basically kept all foreigners out of the country for two years. It was a long time. And obviously that affected your international education industry. I have to say, one of the things I've noticed having been to New Zealand a couple times in the last few years is how ferociously well-organized your international student effort is. So that must have been quite a blow. Are things going to return to the status quo or is this a permanent shift now that you have lost an entire generation of international students. Are you going to get them back?*

DG: Really hard to say actually. Besides the fact of Covid, we've also had Labor Party that came in during 2017, that was moderated about through the first few years by having coalition partners. The last three years it hasn't had a coalition partner, it's had a majority. So their anti-immigration policies have come to the fore. So it's less about a xenophobia issue, although there's a bit of dog whistling involved around that, but it's mainly a union driven approach that mass migration can lower wage rates, especially for those at the bottom end of the labor market and unions are concerned about them. And so therefore, migration should have a tougher look at. So, while we're coming back to international education, but all the challenges of competing with places like Canada that have opened up earlier and more fully than New Zealand, we've also got an immigration approach, which has become much tighter. So post study work rights are highly restricted now, especially for the vocational education side. and so we've, we've got a few headwinds to deal

with. We've got, strong competitors and less positive immigration policy and a less positive set of ministers, frankly.

AU: Interesting. You mentioned that your new Prime minister, Chris Hipkins, was previously Minister of Education. Is he likely to bring a change of emphasis of the government in this policy area? What can we expect from your new Prime minister?

DG: I don't think we'll see too much change, really. I mean, obviously he's been running education policy for the last five and a half years. He's been a senior minister through that time, one of the core group of the government. He's certainly trying to change the way he presents things. He has a different style, particularly different communication style, to Jacinda Ardern so there will be a change there. He's certainly trying to portray himself as focusing on cost of living and bread and butter issues and so on but he hasn't yet announced any major changes to policies.

AU: Okay. Dave. Thank you very much.

DG: Thank you very much.

AU: Okay. It remains for me to thank the show's excellent producers, Tiffany MacLennan and Sam Pufek, and of course, you, the listener for tuning in. If you have any comments or suggestions for future episodes, please send us a line at podcast@higheredstrategy.com. Join us next week for episode 1.3 when our guests will be Chris Marsicano, a Professor of Educational Studies at Davidson College in North Carolina. And we'll be discussing how 2023 is shaping up for higher education in the United States of America. Bye for now.