

[Strathdee, R. (2006). The Labour Government, Networks, and the Creation of Elite Tertiary Institutions in New Zealand. *New Zealand Annual Review of Education*, 15, 5-21]

## The Labour Government, Networks, and the Creation of Elite Tertiary Institutions in New Zealand

ROB STRATHDEE

### *Abstract:*

*This article reviews recent developments in tertiary educational policy in New Zealand. It considers the implications of these on skill development and innovation and identifies network creation as a key aim of the Labour-led coalition. The article assesses its impact on the competition for advancement through education, and concludes by arguing that in some respects, Labour has been more conservative than previous New Right governments in New Zealand.*

In establishing a distinctive agenda in education, the Fifth Labour government has promoted itself as a “third way” administration. Accordingly, Labour has been much more strategic about how it intervenes in education than previous neo-liberal administrations, and it has placed much less blind faith in market systems for social organization. Instead, it has focused on “what works”, rather than simply creating markets wherever possible. It has also been much more concerned than its neo-liberal predecessors to reduce social exclusion and to intervene in settings where market failure is perceived to have occurred (Thrupp, 2001).

Although Labour has promoted itself on the basis of its credentials as a modern social democratic government, debate continues regarding the extent to which this claim is legitimate. In the area of social welfare reform, the picture is clear – Labour has strengthened the welfare reforms of the previous neo-liberal administrations, which were designed to encourage the unemployed to enter the labour market. For example, Labour has adopted a much tougher stance towards those on

6 Rob Strathdee

welfare through such measures as the “jobs jolt” range of policies (Strathdee, 2005b).

In the area of tertiary education and training, however, the picture is not so clear, with a complex mixture of neo-liberal, neo-conservative and “modern” social democratic policies in evidence. For example, through the performance-based research fund (PBRF), Labour has increased competition between providers of tertiary education. An important consequence of the PBRF and related changes has been to conserve the status of universities as providers of tertiary level education to the privileged few, or the elite. The preservation of universities’ elite status is important to dominant groups. This is because, in general, dominant groups rely upon academic qualifications to reproduce and legitimate their status. However, Labour is also attempting to reduce barriers to participation by minimizing the cost of obtaining tertiary education and training. For example, it has implemented a freeze on the interest charged on student loans.

This review describes policy changes that have been introduced by successive Labour governments as they have attempted to reform tertiary education and training. A central concern of Labour has been to reform the previous administrations’ “competitive model in tertiary education [that] had led to unsatisfactory outcomes in terms of both the quality and the appropriateness of the skills produced” (Office of the Prime Minister, 2002, p. 5). In the area of skill development, this concern has led the current Labour Government to increase its involvement in predicting, and planning for, changes in skill demand. In contrast to its neo-liberal predecessors, who were far more willing to let market forces determine the quantity and quality of provision, Labour has sought to reign in spending on courses deemed irrelevant to its strategic objectives, and to expand spending in other areas. Some courses offered by polytechnics and other providers of education and training (for example, wananga, which were established to provide tertiary-level education and training to Maori) have been cut on the grounds that they lack relevance to the Government’s strategic objectives. On the other hand, additional funding has been provided for research-active universities through the PBRF. Although it is important to note that the PBRF has increased competition both within and between universities, part of the rationale for increased intervention is that some consumers are not able to make good educational choices, and state intervention is needed to ensure the supply of skills is suitably high. The current Labour Government is also attempting to increase diversity of provision.

The view is that although neo-liberal reforms promised to promote diversity of provision, this was not achieved, and too many institutions produced graduates with similar qualifications.

An additional rationale underpinning intervention is the desire to create a hierarchy of institutions by:

reposition[ing] universities as the institutions to influence the direction and quality of our research and ensure that they become the elite institutions they were intended to be. (Maharey, 2004b)

Another strategy adopted by Labour that distinguishes it from previous neo-liberal administrations is its encouragement of greater cooperation and collaboration between researchers. This undertaking is a distinctive characteristic of “third way” policy and is closely related to a desire to create social capital through the formation of social networks.

In reviewing Labour’s policies in tertiary education and training, this article identifies network creation as a distinctive “third way” strategy, which is designed to increase innovation. Although the related literature in economics, social geography and cognate disciplines is highly supportive of this strategy as a means of boosting innovative capacity, the impact of network creation on the competition for advancement through education and training has yet to be adequately considered. Although policies introduced by Labour have improved participation in tertiary level education and training, the social nature of innovation means that advancement is likely to be limited to those who participate in innovative networks (Strathdee, 2005a). The exclusive nature of these networks points to the inevitable conclusion that social inclusion and innovation are incompatible objectives. Moreover, for much of the 1980s and 1990s, critics of neo-liberalism were able to show how market forces were designed to reproduce inequality through privatizing education and training (Lauder, 1987). Privatisation, in the form of greater “user pays”, was seen as a way of elites distancing themselves from the masses, limiting participation in higher education to those who could afford to pay for it. Market mechanisms were also thought to drive diversity in provision, as providers sought out new markets. However, according to Labour, in New Zealand’s version of neo-liberalism, the status of universities has been undermined by marketisation and the promised diversity of provision has not eventuated. As a result, more direct intervention is warranted to force diversity into the sector and to reposition universities as elite institutions. Finally, it is important to note that although this review adopts the language associated with neo-

liberalism, it is necessary to remain critically disposed towards the problems raised by so doing. As Ranson (2003) reminds us, a key reason for this is that language itself can serve to regulate and structure debate and to function as a technology of governance. This may limit possibilities for change.

### **Labour and Tertiary Education Reform**

As already noted, Labour has adopted a more active stance in relation to tertiary education and training. In general, two major shifts in policy can be seen to have occurred. The first is the shift away from policies designed to promote competition between providers of education and training, towards policies designed to create greater co-operation and collaboration. For example, the government is funding research clusters, which involve researchers from “competing” institutions working together towards common goals. The second major shift is the move away from blind faith in the ability of market processes to drive up the quality of education and training, towards measures that give the government greater power to intervene in the market and exert a stronger influence over the shape, the direction, and the size of the tertiary sector. For example, the government has tied the funding available through the effective full-time training measure model to the rate of inflation – additional funding will only go towards training that meets Labour’s strategic priorities. The Government hopes that by directing funding in this manner it will increase its ability to steer the education and training sector in ways that assist in the realisation of its strategic objectives.

It is not possible to describe each new measure in the space available here. Instead, the following section describes, and occasionally comments on, five key themes in tertiary education and training policy in 2005. The then-Minister of Education, Trevor Mallard, provides a useful overview of the government’s objectives in this area:

As well as moving to lifting quality in the system, Labour also wants to make sure that the courses and range of education that is being provided around the country are actually relevant to national and local community goals, and that we are supporting more collaboration rather than fruitless competition. Quality and relevance is needed throughout the tertiary education sector – for students who don’t want to waste their money and time on worthless courses, for employers, local communities and industry who want

well-qualified workers with the skills needed to support economic growth at regional and national level, and for taxpayers who want reassurance that their tax dollar is being put to good use. (Mallard, 2005)

### *Reform of the competitive model*

The first theme underpinning Labour's approach is reform of the competitive model of tertiary education and training with the aim of improving the quality and direction of the tertiary sector. Such reform is deemed particularly appropriate in settings where individuals are not properly embedded in the social infrastructure and where labour market signals, which might help people make good decisions, are weak. To date, one consequence of the competitive model is that some individuals have been misled by training providers as to the value of the qualification on offer. In order to help people choose their courses of study wisely, strategies are needed to increase the capacity of individuals to access and decipher labour market and training information. Thus, creating the conditions under which all individuals participate in market relationships via education and training is central to increasing personal incomes, reducing social exclusion, and eradicating poverty. Interventions that have arisen from this position include the provision of better labour market information to learners, as well as the provision of improved financial and other resources. Improved labour-market information is being provided by new, specialist units, in selected government departments. These units predict future skill demands and provide advice to government and to individuals. This information also helps Labour determine where best to intervene in tertiary education and training and helps identify which skills are likely to be in demand in the future. Labour has also increased its investment in careers advice by increasing funding to *Careers Rapaura*, which is a major provider of career information, advice and guidance to young people.

### *Increased participation in tertiary education and training*

A second theme in Labour's approach to tertiary education and training is that participation, particularly for those from low SES backgrounds, must be increased. Although Labour is not going as far as New Labour in England, where universities are required to demonstrate how they are recruiting low SES students (*BBC News*, 2002), Labour has attempted

to increase participation by making tertiary education and training more affordable. Here key measures include: increasing the numbers of places in selected tertiary courses funded by government; introducing the fees maxima, limiting the amount per year student fees can be increased; and making student loans interest free while students are engaged in their studies.

There is a dearth of research on the subject in New Zealand and relatively little is known about participation rates for low SES students in New Zealand. However, although there is some evidence to show that participation by students from all SES backgrounds in tertiary education and training has increased over time, there is also evidence that the representation of students from low SES backgrounds in university education (at least in one major metropolitan area in New Zealand) has remained consistently low over the last 15-20 years (Strathdee & Hughes, 2006). Fortunately, the research base in England is more developed. There, researchers have found that although participation in tertiary education and training has increased, overall, the proportion of students from low SES backgrounds has remained relatively low for decades. For example, one recent study found that while young people in general have increased their level of participation, growth in the proportion of young people from low SES groups was much lower than that found for higher SES groups (Galindo-Rueda et al., 2004). It is also important to note that participation varies greatly between institutions. Low SES students and those from minority backgrounds in England are much more likely to attend universities founded post-1992, underscoring the point that although participation may generally have increased, it is distributed unequally throughout the tertiary sector. This development has important implications for inequality as, in general, universities founded since 1992 have higher student-teacher ratios, do not attract the same level of research funding, and produce graduates who do not earn as much as those from the more prestigious universities (Leathwood, 2004).

### *Need to meet strategic objectives*

A third theme in Labour's approach is the belief that government should only invest in high quality training that meets its strategic objectives. To facilitate this, it has diverted funding away from what it regards as low quality courses into those it considers to be of high quality. An important step in this process has been the production of *Statements of*

*Tertiary Education Priorities*. These documents set out the Government's priorities for the tertiary sector, detail what has been achieved to date, and outline what will be done in the future. The *Statements* are complex and will not be described here in detail. However, it might be noted that a key priority outlined in the most recent statement (Ministry of Education, 2004, p. 15) is to increase "the relevance of skills and knowledge to meet national goals." One strategy is to review the quality and relevance of all sub-degree courses. It is this review that led to the cancellation of funding to courses provided by some private training providers, polytechnics and wananga, such as the infamous "sing-a-long" courses offered by a Gisborne polytechnic and the "Cool IT" programme at the Christchurch Polytechnic Institute of Technology, where students were offered music, book and petrol vouchers for participating in a self-paced computer course. In addition, schools, libraries and community groups received \$20 for each student they enrolled in the programme.

#### *Partnerships to encourage innovation*

A fourth theme in Labour's approach is the belief that providers of education and training, employers and the government should act in partnership with each other to drive up New Zealand's innovative capacity. The idea is that government can work as a strategic broker, bringing groups together and investing where the risk of doing business without the State's assistance is too great. In addition, the government sees providers of education and training working collaboratively with each another to reduce gaps and overlaps in provision.

A further expression of Labour's desire to increase collaboration and co-operation can be seen in the Growing an Innovative New Zealand Framework and related policies. The underlying aim of the framework is to "grow more talent". To achieve this, the government sees its role as one of "leader, partner, facilitator, and broker working with other sectors to get results" (Maharey, 2002a, p. 1). The government has funded a number of initiatives designed to increase collaboration between industry and researchers. Good examples of this are the Centres of Research Excellence, which have been established in areas of major importance to New Zealand's economic and social development. It is intended that they operate collaboratively across tertiary institutions, and many have links to Crown Research Institutes. In a related decision, funding for industry-led research consortia was also introduced in 2002. Research consortia are industry-led, collaborative

ventures established to fund and manage research with a view of pursuing opportunities with commercial potential. Consortia always involve at least two users of research (businesses, for example) and at least one research provider (e.g., a Crown Research Institute and/or a university). They may also include overseas entities. The research consortium participants must provide at least 50 per cent of the cash requirements of the projected research programmes. Government funding is limited to a maximum of seven years.

#### *Concentrating research capacity*

A fifth strategy employed by Labour to increase the contribution made by tertiary education and training to innovation, is to concentrate research capacity in relatively few institutions, via the performance-based research funding (PBRF) mechanism. Here, Labour is keen to create elite, research institutions through rewarding those that are research active. The aim is to improve the quality of research and to ensure that research funds "follow demonstrated research performance, rather than being spread thinly across all TEOs [Tertiary Education Organisations] irrespective of their research output" (Maharey, 2004a, p. viii). The idea is to increase the value of investment in research and development through concentrating research capacity in larger institutions and in leading research departments, and to introduce measures that reward leading researchers (Tertiary Education Commission, 2004). The rationale for this is that New Zealand cannot afford to fund all tertiary institutions to similar levels to conduct research. Consequently, some concentration of capacity is required. Although it is politically treacherous for the government to advance the case, it appears to believe that some tertiary institutions should devote themselves to becoming primarily teaching institutions, while others should concentrate primarily on research.

Early evidence suggests the PBRF has been effective in concentrating funding for research within the traditional universities. For instance, the University of Otago gained an almost eight percent increase in funding. However, at the other end of the scale many institutions lost funding. These were mainly colleges of education (one which subsequently merged with a local university, and two others which have signalled future mergers), a new university and a polytechnic, which is attempting to obtain university accreditation.

To strengthen this strategy, the proportion of funds available through the PBRF model will increase dramatically once it is fully

implemented. In time, it is likely that we will see an even clearer split between tertiary research institutions and those that are not. However, it is too early to properly assess the longer-term impact of the PBRF. Nevertheless, an indication of its likely effect can be gained by looking again to England. There, a similar allocation system has been in operation since 1986. For the three years up until 2002, an association of 19 major research-intensive universities in the United Kingdom, known as the Russel group, received on average a 57 per cent share of research income from grants and contract funds. The remaining 90 institutions shared the remaining 43 per cent of the funds. However, within the Russel group, the “big four” research institutions (Imperial College, University College London, Oxford and Cambridge universities) received almost one half of the income (45 per cent). When the funding differences are converted into teaching loads, as expected, those institutions with the least research income are required to do more teaching (Brown & Hesketh, 2004). It is also important to note that another aspect of the English experience is the emergence of an academic transfer market in which universities compete with one another to secure productive academics. Under this scenario, we can expect such a market to develop in New Zealand.

In sum, the government believes that investing strategically in areas of priority, facilitating the formation of new networks and linkages between researchers, and concentrating research capacity in relatively few institutions, will all help drive up innovative capacity and help create high wage, high skill forms of employment. The implications of these changes on the competition for advancement through education and training are considered later in the article. For the moment, the concentration of research capacity is considered in the light of what is known about sources of innovation.

### **The Social Nature of Innovation**

The creation of networks to drive up innovation capacity and thereby, competitive advantage, is premised on a belief that the development and transmission of new knowledge is facilitated by the creation of a social infrastructure. The better the social infrastructure, the more effective it will be in creating new knowledge and in transmitting this to users. This point was well made by Hayek (1945) who noted that unorganised knowledge and knowledge of circumstances of time and place offers competitive advantage. Such knowledge is typically more effective as a means of gaining competitive advantage than codified

knowledge, such as that found in text-books and the like. For better or for worse, the effectiveness of this knowledge indicates that market-based methods of social organization are always likely to be more effective in terms of achieving the goals of capitalism than methods that involve direct intervention by the state.

The reasons why networks are effective as a means of gaining access to unorganised knowledge, are well established. Briefly stated, networks are effective because they provide a trustworthy way of transmitting knowledge, particularly where this knowledge is unable to be codified. Moreover, as Hayek (1945) points out, new knowledge is typically a result of collaboration between individuals. More recently, authors have built upon this idea by adopting the term “social capital” to describe how innovation can be engendered through the creation of networks and associations between individuals and between groups (Performance and Innovation Unit, 2002).

When assessing the connection between social capital and innovation, it is useful to look to the work of scholars like Freeman (1997) who has used the insights of Schumpeter to theorise the relationship between innovation, technological change, growth and trade. Freeman’s insights have influenced our conceptualisation of the knowledge economy in key ways. First, they have highlighted the role played by technological change as a key driver of economic growth in the contemporary period. Of significance here is the development of micro-electronic technology and related developments in areas including computer technology, biotechnology, and information technology. The emphasis upon technological change as a driver of innovation underscores the importance of techno-scientific knowledge in the knowledge economy.

Secondly, the relationship between techno-scientific knowledge and innovation leads to a conceptualisation of the knowledge economy as national systems of innovation. Accordingly, it is a nation’s public and private sector institutions and their activities and interactions that both create and diffuse new technologies (Freeman, 1997). Given the relationship between social capital and innovation, it is unsurprising that the Organisation for Economic Cooperation and Development (OECD) sees network formation as an integral aspect of national systems of innovation. The OECD states: “the configuration of national innovation systems, which consists of the flows and relationships among industry, government and academia in the development of science and technology, is an important economic determinant” (OECD, 1996, p. 4).

Accordingly, new organisational structures are emerging in which the bureaucracies of what could loosely be described as Fordist education systems (those established to serve hierarchical organisations) (Brown & Lauder, 1996), are being replaced by post-Fordist, network structures (Castells, 1996). Although the new post-Fordist organisations comprise a variety of forms, the maintenance of networks and cooperation between businesses, the government and the universities, is critical. In a related position, Archibugi & Lundvall, (2001) and Nahapiet & Ghoshal, (2000) argue that innovation is fundamentally social because not all knowledge can be concentrated in one individual's mind. For these reasons, they argue, the creation of new knowledge involves relations of cooperation and trust. Thus, innovation, due to its social character, is likely to come from the creation of new networks, or the creation of linkages between research and development organisations, particularly universities, which are directly linked to innovative firms, and to sources of financial investment. These linkages provide a critical method of knowledge transfer. The concentration of research capacity within relatively few institutions and the formation of new networks makes economic sense.

However, an unanswered question concerns the impact that this may have on the competition for advancement through education and training. This is considered in the following section.

### **Network Creation and the Competition for Advancement Through Education and Training**

As noted, a key aim in the Labour Government's overall programme is to reduce social exclusion. Increasing participation in quality tertiary education and training programmes has been adopted as a key mechanism to achieve this. However, when considering the impact that the Labour Government's policies might have on the competition for advancement through tertiary education and training, it is useful to remember that increasing participation in quality programmes does not necessarily translate into reduced inequality. Whether or not the qualifications obtained in the tertiary sector will actually increase the chances that the socially excluded will enjoy social mobility, remains a critical concern. Clearly, those who hold qualifications earn more, even if we are unable to say with certainty why this is the case. However, if the preceding analysis is correct, it is likely that the elite institutions Labour is building will come to function as portals into the knowledge

economy. Students who attend institutions distanced from sources of innovative knowledge are also likely to be distanced from the sources of social capital that are needed to obtain jobs in the knowledge economy.

In a related way, those institutions that do not succeed in attracting research funding will find they are increasingly reliant on per-student funding to support their activities. As a consequence, they will need to make up the lost funding through increasing the recruitment of students into their courses. One way to achieve this is to make teaching programmes more attractive to students. However, it remains unclear if this can be done in ways that actually benefit students in the longer term. In this respect, researchers in England have argued that pressures created by consumerism have forced some universities to adjust their programmes to make them more attractive to students (Naidoo & Jamieson, 2005). They argue that this is encouraging institutions to present and package their knowledge in ways that meet consumer demand.

One such response is to modularise the curriculum and deemphasise the transmission of "Mode 1" learning, which is primarily theoretical in orientation, rooted within traditional disciplinary boundaries and evaluated in terms of peer review, and to emphasise "Mode 2" learning, which is trans-disciplinary and evaluated by internal and external stakeholders (Gibbons et al., 1994). Modularisation is often presented as empowering learners by according them with greater flexibility in their studies, by making university study more economically relevant, and by making the learning more motivating. However, it is an open question whether or not this kind of learning is able to provide learners with the skills needed to promote innovation (Naidoo & Jamieson, 2005).

Unfortunately, many of these issues and resulting questions lack firm empirical support. However, there is a picture emerging from England that suggests that although a higher degree certainly pays (Elias & Purcel, 2003), students who attend elite institutions enjoy better employment outcomes. For example, Brown and Hesketh (2004) reported that candidates applying for "blue chip" jobs from Oxford University were 29 times more likely to be appointed than someone applying from a new (post-1992) university. Although there are no doubt many factors at play, and it remains an area in need of research, the social nature of innovation and the concentration of research capacity within relatively few institutions help explain why labour

market outcomes are so much better for those who attend elite, research universities and why graduate outcomes are continuing to polarise. In this respect, although New Labour has successfully increased participation from lower socio-economic groups in higher education, their relative chances appear to have altered little. Those from lower socio-economic groups, “are as likely as not to be sorted into the lower reaches of the student population, obtaining lower end ‘graduate jobs’”. In other words, they are likely entrants to the two-year foundation degree courses” (Mayhew et al., 2004, p. 79). More recent evidence from Wakeling (2005) has given support to the idea that there are social class differences in access to higher degrees. As higher degrees become a more common requirement for employment – as is the case in England with law, social work, and teaching – efforts to increase the participation of students from lower SES backgrounds in undergraduate courses may fail to observe that selection is moving to a postgraduate level.

### Concluding Comments

Apple (1993) attributes the introduction of markets into education in the United States to the rise of neo-liberal and neo-conservative forces. His argument is that the creation of neo-liberal markets in higher education, through such methods as greater user pays, supports neo-conservative objectives by limiting participation and achievement in elite forms of education and training to those who have the social and cultural resources needed to gain entry into elite institutions and the financial resources needed to enact their choices. From a different perspective, Olssen & Peters (2005) argue the ascendancy of neo-liberalism and the associated introduction of new public management, means we are likely to see attempts begin in earnest to privatise the means of knowledge production. One way this is achieved is through further commodification of access to knowledge, with governments easing themselves out of the provision of public education and training [see Giroux (2003) for argument on the US case]. Thus, we are witnessing a shift away from higher education as a public good funded by the State, towards higher education as a private good, controlled by capital and subject to elite capture.

Both perspectives improve our understanding of Labour’s tertiary education and training reforms. On one hand, it could be argued that Labour’s cancellation of interest on student loans and the introduction of the fees maxima, which limits any increase in student tuition fees to 5 per cent in any one year (although increases may be higher than this

with government approval), represents a trend away from privatisation. On the other, moves to return universities’ elite status through such moves as the PBRF mechanism, and the encouraging of university-business links, suggest the introduction of new sources of social inclusion based on access to positional knowledge. If the analysis presented above is accurate, network creation is likely to mean that those distanced from sites of knowledge production will be disadvantaged in the race for qualifications that hold out the promise of social mobility.

Although some of the policies introduced by Labour can be seen to challenge neo-liberal and neo-conservative interests, key policies, such as the PBRF, are likely to limit participation in elite forms of education and training to relatively few individuals. It is fair to argue, therefore, that the Labour government is presiding over a period of neo-conservative restoration. Those who have the financial, cultural and social resources to gain entry to elite institutions and therefore to positional knowledge, will be best placed to gain employment in the knowledge economy. Those who do not are likely to find that although they can gain access to tertiary level institutions and obtain the qualifications on offer, they will remain disadvantaged in the race for positional advantage.

The goal of providing comprehensive education to all school students in New Zealand was founded on a view that the provision of different kinds of education and training to different classes of young people was elitist and undermined egalitarianism. The development of national curricula, the provision of similarly trained teachers, and related measures, show that the government was committed, in principle, to providing all New Zealand students with similar opportunities. Given the growing centrality of tertiary education to individual advancement, it is reasonable to ask if concentration of research capacity and diversity of provision are the best ways to advance Labour’s egalitarian goals. It is not the case that Labour lacks a commitment to equality through education. It may rather be the case that their method for delivering it is flawed.

### References

- Apple, M. (1993). The politics of official knowledge: Does a national curriculum make sense? *Teachers College Record*, 95(2), 222-241.
- Archibugi, D., & Lundvall, B. (2001). Introduction: Europe and the learning economy. In D. Archibugi & B. Lundvall (Eds.), *The*

- globalizing learning economy (pp. 1-18). Oxford: Oxford University Press.
- BBC News. (2002, December 18). *Widening access in university priority*. BBC News. Retrieved February 16, 2006, from <<http://news.bbc.co.uk/1/hi/education/2584103.stm>>
- Brown, P., & Hesketh, A. (2004). *The mismanagement of talent: Employability and jobs in the knowledge economy*. Oxford: Oxford University Press.
- Brown, P., & Lauder, H. (1996). Education, globalisation, and economic development. *Journal of Education Policy*, 11, 1-24.
- Castells, M. (1996). *The rise of the network society*. London: Blackwell.
- Elias, P., & Purcel, K. (2003). *Researching graduate careers seven years on*. Warwick: Warwick Institute for Employment Research.
- Freeman, C. (1997). *The economics of industrial innovation*. Cambridge, Massachusetts: MIT Press.
- Galindo-Rueda, F., Marcenari-Gutierrez, O., & Vignoles, A. (2004). *The widening socio-economic gap in UK higher education*. London: Centre for the Economics of Education.
- Giroux, H. (2003). Selling out higher education. *Policy Futures in Education*, 1(1), 179-200.
- Hayek, F. (1945). The use of knowledge in society. *American Economic Review*, XXXV(4), 519-530.
- Lauder, H. (1987). The New Right and educational policy in New Zealand. *New Zealand Journal of Educational Studies*, 22(1), 3-24.
- Leathwood, C. (2004). A critique of institutional inequalities in higher education. *Theory and Research in Education*, 2(1), 31-48.
- Maharey, S. (2004a). Foreword. In Tertiary Education Commission (Ed.), *Performance-Based Research Fund – Evaluating research excellence: The 2003 assessment*. Wellington: Tertiary Education Commission.
- Maharey, S. (2004b). *The role of research in national development*. Wellington: Parliamentary Speech Archive.
- Mallard, T. (2005). *Moving to quality in tertiary education*. Wellington: Parliamentary Speech Archive.
- Mayhew, K., Deer, C., & Dua, M. (2004). The move to mass higher education in the UK: Many answers to some questions. *Oxford Review of Education*, 30(1), 65-82.

- Ministry of Education. (2004). *Statement of Tertiary Education Priorities. (STEP) 2003/04*. Wellington: Ministry of Education.
- Nahapiet, J., & Ghoshal, S. (2000). Social capital, intellectual capital, and the organization of advantage. In E. Lesser (Ed.), *Knowledge and social capital* (pp. 119-157). Boston: Butterworth Heinemann.
- Naidoo, R., & Jamieson, I. (2005). Empowering participants or corroding learning? Towards a research agenda on the impact of student consumerism in higher education. *Journal of Education Policy*, 20(3), 267-281.
- Office of the Prime Minister. (2002). *Growing an innovative New Zealand*. Wellington: Office of the Prime Minister.
- Olssen, M., & Peters, M. (2005). Neoliberalism, higher education and the knowledge economy: From free market to knowledge capitalism. *Journal of Education Policy*, 20(3), 313-345.
- Organisation for Economic Cooperation and Development. (1996). *The knowledge-based economy*. Paris: OECD.
- Performance and Innovation Unit. (2002). *Social capital: A discussion paper*. London: Cabinet Office.
- Ranson, S. (2003). Public accountability in the age of neo-liberal governance. *Journal of Educational Policy*, 18(5), 459-480.
- Simmie, J. (2003). Innovations for urban regions as national and international nodes for the transfer and sharing of knowledge. *Regional Studies*, 37(6 & 7), 607-620.
- Strathdee, R. (2005a). Globalisation, innovation and the declining significance of qualifications-led social and economic change. *Journal of Education Policy*, 20(4), 437-456.
- Strathdee, R. (2005b). *Social exclusion and the remaking of social networks*. Aldershot: Ashgate.
- Strathdee, R. & Hughes, D. (2006). *Socio-economic status and tertiary participation in New Zealand*. Manuscript submitted for publication.
- Tertiary Education Commission. (2004). *Centres of research excellence*. Wellington: Tertiary Education Commission.
- Thrupp, M. (2001). Education policy and social class in England and New Zealand: An instructive comparison. *Journal of Education Policy*, 16(4), 297-314.



Wakeling, P. (2005). La noblesse d'état anglaise? Social class and progression to postgraduate study. *British Journal of Sociology of Education*, 26(4), 550-522.

**The author**

Rob Strathdee is a Senior Lecturer in the School of Education Studies at Victoria University of Wellington. His teaching and research interests are in the sociology of education and in political economy.