



Head Office: 42 Reyburn House Lane, Whangarei Ph 021 922098
Email: chris.leitch@socialcredit.nz Website: www.socialcredit.nz

Submission to the "Tomorrow's Schools" Review August 2018

The Chairman
Tomorrow's Schools Taskforce
Mr Bali Haque

Dear Sir

We welcome the review of tomorrow's schools currently being undertaken.

It is clear, by any measurement one cares to employ, that despite the committed effort of teachers, principals, and support staff, our education system is not achieving the standards we would wish for.

An ever changing society is imposing greater complexities and challenges on those committed educationalists, as it is on our children.

We must design an education system that provides them with the resources to not just cope with those challenges, but to steer our children through their most formative years and deliver young adults with an ability to adapt to a society where leisure, the arts, creative thinking, and extended learning have a greater part to play in their lives than ever before as computerisation and robotics take over significant numbers of traditional jobs.

One of our tenets is *"Systems should be made for people, not people for systems; any that fail to serve people should be reformed or discarded"*.

Any proposal for changes to our education system should start with that premise.

We look forward to participating further as your work proceeds.

Chris Leitch
Leader
Social Credit



**“Education is a peculiar good.
It increases the more it is consumed”.
- Paul Samuelson**

Taskforce chairman, Bali Haque, in an article for the New Zealand Herald (5th July), wrote that “we cannot actually run a schooling system like a commercial business.” This opinion is a welcome reflection of Social Credit’s approach to the public provision of essential infrastructure and services. Hence our support for his call to “have a good rethink about what we want for our children’s education, and design a system that delivers it.”

Australian economist, Peter Self, declares education to be a “collective good” and part of the welfare system - that “health, housing and education are the basic requirements of individual welfare as well as being essential for the prosperity and effective functioning of a modern society...” He adds that, although these requirements may be less tangible than material goods, the social elements of welfare are vital ingredients for our “social capital” i.e. that element of trust whereby individuals and the institutions we have designed to serve us can be depended upon to operate honestly on our behalves.

On the concept of “social capital” Auckland University economist, Tim Hazledine, writes that “a healthy, well-schooled population will be able to generate more of the social capital needed for decent economic performance.” While admitting some schools have succeeded under the more commercial model of organisation, he finds it “quite acceptable” for them to have more governance by the professionals who teach in them. “If the teachers are well chosen,” he writes “well-trained and decently paid, then we can trust them to make sensible and honourable decisions [with] still room for parental input.” That word “trust” again.

The fact that a review of the “Tomorrows Schools” system has been deemed necessary is itself an indication that all is not well. Lack of support for teacher aides, looming strike threats, shortage of materials plus many inferior buildings - all this plus complaints about the extra work entailed in managing NZCEA - are symptoms for concern. Added to these are the social problems in schools where income inequalities lead to more truancy, plus difficulties in teaching children who are on poor diets, affected by foetal alcohol poisoning and secondary contact with “P”.

It is most certainly time to have that “good rethink”. And we must look to Pakistani economist, Mahbulbul Haq for his insight, thanks to being recognised by one of his admirers, Azad Zamen. Haq rejected his Yale/Harvard corporate model training which viewed “humans as producers of wealth” switching to the view of “wealth as a producer of human development”. He learned “to recognise the murderous message at the heart

of the cold mathematics“ underpinning the models he was taught - which “oblige workers to produce wealth while refusing to allow them to consume it.”

He admitted that wealth “did indeed accumulate” but went into the pockets of a few wealthy families - an observation made five decades back but still all too relevant today! Haq, insisting that “human beings are the means and ends of development”, invented the HDI (Human Development Index) - an idea carried further by development economist, Amartya Sen, who defined development as the freedom to develop human capabilities - not to accumulate capital for the profits of the few.

Is it also the case that New Zealanders are producing wealth they cannot collectively, socially consume? If so, is the standard of our public education affected detrimentally? One glaring admission appears in Paul Dalziel’s contribution in “The Decent Society” - a book published in response to the austerity policies implemented by the National government of the 1990s - when ironically the Prime Minister, the Rt. Hon. Jim Bolger, was fond of referring to the “social capital”!

In an interview with Gyon Espiner on April 21st Jim Bolger had some interesting things to say about that time. (See footnote)

As if reprimanding those who believe that a government's primary duty is to serve its people, Dalziel admits: “On the expenditure side, the first call on government funds is its interest commitments on public debt. This item accounts for nearly 20 per cent of tax revenue, and is the legacy of decisions by previous generations to finance budget deficits by issuing public debt.” Given that most of the bonds issued by Treasury are owned by and owed to overseas creditors, it is obvious that we are being short-changed by a financial system which also needs “a good rethink” - better still the recognition that such an analysis has been the focus of Social Credit thinking for several decades - the result being the development of practical and ethical financial policies, not just for the provision of public education, but for funding the infrastructures basic to a healthy economy.

Hence our claim that our sovereign central bank, the Reserve Bank of New Zealand is equipped to credit-fund (at a small service charge only) what is needed by society. Indeed, a decade ago the RBNZ was operating a credit facility amounting to five billion dollars for the major banks to aid them through their liquidity crisis.

We urge the task force to look at the \$4,500,000,000 plus currently allocated by the government for debt servicing annually and recommend in your report that education funding be sourced from the Reserve Bank.

Lastly, another advocate for increasing and preserving our social capital is American writer, Steven Pinker. He says: “Studies of the effects of education confirm that educated people really are more enlightened. They are less racist, xenophobic, homophobic and authoritarian. They place a higher value on imagination, independence and free speech. They are more likely to vote,

volunteer, express political views, and belong to civic associations such as unions, political parties, and religious and community organisations. They are also likelier to trust their fellow citizens - a prime ingredient of the precious elixir called "social capital" which gives people the confidence to contract, invest, and obey the law without fearing that they are the chumps who will be shafted by everyone else".

Our message is that this "precious elixir" must be safeguarded by humane and ethical financial policies as promoted by Social Credit.

Written for the Social Credit Party by Heather Marion Smith
B.A., Dip. Soc. Sci. [Econ]

BIBLIOGRAPHY:

DALZIEL, Paul: "Policies for a Decent Society" in The Decent Society - Jonathan Boston and Paul Dalziel (Eds) - OUP 1992

HAZLEDINE, Tim: Taking New Zealand Seriously (The Economics of Decency) Harper Collins 1998

HAQUE, Bali: "Tomorrow's Schools belong in the past" - NZ Herald - 5th July, 2018

PINKER, Steven: Enlightenment Now (the Case for Reason, Science, Humanism and Progress) - Allen Lane 2018

SELF, Peter: Rolling Back the Market (Economic Dogma & Political Choice) – Macmillan Press 2000

ZAMAN, Azadz "The Human Development Revolution" in ERA (Economic Reform Australia) Review - July-August 2017"

Footnote:

"Jim Bolger says neoliberal economic policies have absolutely failed. It's not uncommon to hear that now; even the IMF says so.

But to hear it from a former National Prime Minister who pursued privatisation, labour market deregulation, welfare cuts and tax reductions - well that's pretty interesting.

"They have failed to produce economic growth and what growth there has been has gone to the few at the top," Bolger says, not of his own policies specifically but of neoliberalism the world over.

He laments the levels of inequality and concludes "that model needs to change."