Towards a Framework for Educational Change:
State Deregulation, Citizen Empowerment, and Strategic Partnership.

A thesis presented in partial fulfilment of the requirements of the degree of

Master of Philosophy
in
Development Studies

at Massey University, Palmerston North,
New Zealand

Donald Kingsley Smith

April 2000

Abstract:

This thesis is an interweave of global, national, and local issues. It is about the nature of motivation that turns dissatisfaction with the status quo in teacher education into action for change. It is also about the opportunity for change to occur. Themes, both top-down and bottom-up, relate to new perspectives in the field of Development Studies including development from below, the retreat of the state, empowerment, and community motivation.

The study focuses on innovation in teacher education, and views the activities of three institutions as one 'project'. The study investigates circumstances of change within the context of the local scene and international trends. Recent literature seems to indicate decreasing involvement of the state in many facets of everyday life has resulted in a range of commercial and social responses. A number of driving forces are involved. From above there are concerns about increasing inability to afford to pay for public services in the future. From below there are calls for rights, choices, and empowerment. Both perspectives evidence diminishing confidence in the assurances offered by grand theory, and both result in a marked shift away from a dominant state-run model.

Narrowing further into education locally, there have been changes in many aspects of New Zealand education including school governance, curriculum, types of courses, qualifications, and opportunities for new players. This has occurred within the context of concerns about declining academic and behavioural standards. The research question is: What factors have motivated change in a New Zealand teacher-education development project? Participant observation and structured interview methods have been used to examine possible motivations. The objective has been to identify and quantify benefits to the community derived from more involvement, sense of ownership, mission and purpose.

The findings indicate strength of commitment and involvement by participants in the purposes and activities. The study found there was a sense of success connected with what participants had achieved. There was also an optimistic view of the future, which seems likely to involve increased government–community partnership and a more consultative approach towards ongoing development.

Acknowledgements:

This thesis was made possible, or notably assisted by:

Table of Contents:

Chapters

Table of figures and tables

Chapter 1:
Introduction

**Towards a Framework for Educational Change: State Deregulation,
Citizen Empowerment, and Strategic Partnership**

This study investigates at a local level the global shift of power from central government to
community interest groups. In the context of social services within New Zealand, this
research project examines the move from government funding and provision of education to
a reduced level of government regulation and increased community empowerment in teacher
education. The study involves participant observation and structured interviews in three
tertiary providers established recently coincident with regulatory change.

Development Studies and Deregulation

The field of Development Studies draws upon many disciplines and balances understanding
of historical and contemporary processes. The study of development is concerned with the
problems, activities, and prospects for the development of human and material resources.
As such, it provides a perspective for the analysis of the divestiture of state power in New
Zealand and how community interests are taking up initiatives in collaboration with the
state. Development Studies has traditionally focused on the 'Third World' and issues of
underdevelopment and poverty. Its broad theories, however span all countries, and allow for
for novel and important perspectives to be opened for the study of 'developed' countries as
the major processes of change here – deregulation and community participation,.

The trend towards deregulation seems evident within the literature both internationally
(Nolan & Xiaoqiang, 1999; Ariyo & Jerome 1999; Ramaturi 1999; Brown & Ashman 1996;
Hall 1994; Rigg 1993), and locally (Bollard & Buckle 1987; Britton, Le Heron, & Pawson
1992). Research to date within the field of Development Studies has also focused on the
societal climate including the retreat of the state (Swann 1988, Strange 1996), grassroots

development (Uphoff, 1993: Hewison, 1993), entreprenureship (Hisrich & Peters, 1995; Kuratko & Hodgetts, 1995, Ronstadt, 1984; Reynolds 1991), and good governance (Brohman, 1996; Van Rooy 1997; Edwards & Hulme, 1996; Clark, 1995).

Less is known, however, about how the dynamics of societal change are operating following on from the initial flush of deregulation in New Zealand. This study seeks to address the perceived gap in the literature by investigating motivational factors among those involved in some new approaches to teacher education and community empowerment within education generally. The research question of this thesis is: What factors have motivated change in a New Zealand teacher-education development project?

The study investigates an aspect of the divestiture of state power in New Zealand and the response of community interests. Evident motivations are considered at both governmental and grass roots level. The following diagram presents this idea graphically.

Figure 1.1: State divestiture of power and community response.
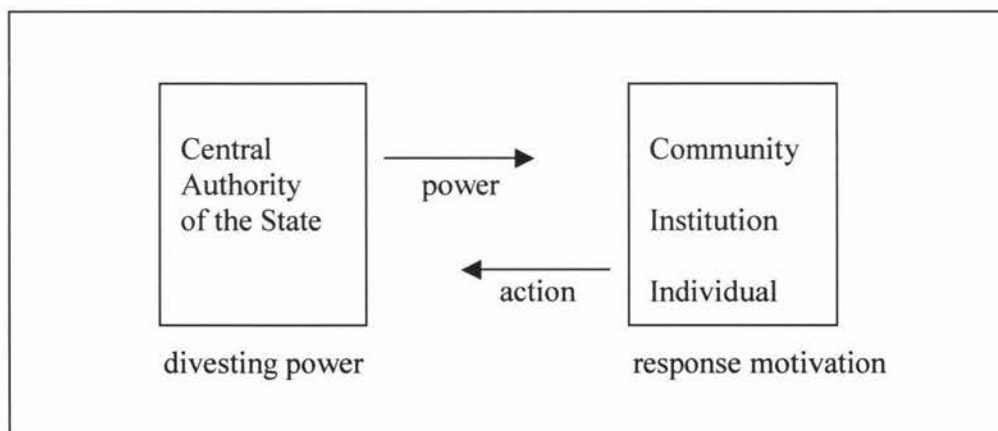
Following on from this introduction to the research, Chapters 2 and 3 define the constructs used in this study and ascertain what has been said about them. Chapter 2 reviews the international literature in the context of modernism and development studies. The successes and failures of development projects are considered along with thematic approaches and research methods. New approaches in the field are canvassed in terms of participation, grassroots empowerment and state deregulation within the theoretical perspective of post-

modernism. Entreprenureship, good governance and government-community partnerships are also examined as other factors contributing to societal restructuring in a global context.

Chapter 3 reviews New Zealand developments and the local context for this study. This includes deregulation, economic changes and reviews of these reforms. Further to this, entreprenureship is considered in the context of education. Finally, community relationships and intrinsic motivations are investigated as factors contributing to the emerging scene.

Chapter 4 outlines the methodology used and reasons for the approach adopted. The ethnographic orientation including participant observation and structured interviews is described. The sample population includes respondents associated with three institutions and representing several provider and recipient roles including founding and current: directors, teachers, and students. The views of employers as representatives of school communities, and graduates-as-employees are canvassed. Also discussed here is the framework used for interview questions and the research ethics adopted.

Results are presented in Chapter 5. The structure of data analysis is explained, and the findings and analysis are covered in terms of the primary interview questions. Preceding a gathering of themes are expansions of these questions. The thrust of questioning is consistent for all respondents, but the wording and approach varies depending on what is appropriate to the role or viewpoint of each individual participant. Responses are organized in five broad areas. These are: 'Why?', the motivation or reasons for involvement; 'What?', the activities and purposes are being pursued; 'Regulations?', the statutory changes allowing or encouraging the circumstances; 'Who is this for?', the recipients of intended benefit; and 'Difference?', the advances, improvements (or problems) that are evident.

Chapter 6 brings the study to a conclusion by offering summary comment about findings that are presented by question and theme. There are links back to the aims and literature, followed by recommendations, suggestions on policy matters, and suggestions for further research. Finally, there is speculative comment about future development of strategic partnerships between government and the community, and a summary of the thesis.

Chapter 2:

Development Studies and International Literature

Introduction

As noted in Chapter 1, the research question for this thesis is: What factors have motivated change in a New Zealand teacher-education development project? As the thesis title indicates, several key constructs underpin this study. These are state deregulation, citizen empowerment, and strategic partnership.

This chapter begins with a review of various definitions of what 'development' means, and briefly highlights the lack of connection in the past between theory and practice identified in Development Studies. This is relevant to the research question described above as the mixed success of development projects of the 1950s – 1970s has led to new approaches in Development Studies, new research methodology for social situations, and new themes becoming available to describe the changing trends that have been emerging.

Following on from this, the concept of state deregulation is considered. This is relevant to the research question due to the nature of the teacher-education development project. The concept of citizen and community empowerment through bottom-up development is considered in some depth. Again, these ideas are central to the research question because of the teacher-education development project. The discussion here focuses on motivational factors such as the entrepreneurial 'pushes' and governmental 'pulls' that are seen to be driving societal change. The New Zealand and educational context, as well as the notion of strategic partnership are considered in Chapter 3.

Development and Modernism

The basis of modern development is important to this thesis because it sets the context of purposes and intentions, thus providing a framework for understanding the motivations for initiatives, as well as either restrictive or enabling factors. The history of Development Studies across the recent half-century is said to have commenced with the inaugural speech

by US President Harry Truman in 1949 (Esteva and Prakash 1998:282). This was the first major public statement by a world leader using the terms 'development' and 'underdevelopment' (Overton 1999:71 prefacing Rist 1997), and ushered in 'The Development Age'. Truman's idea was that from its bounty, the USA would export technology to 'developing' countries, because they "look to the United States as never before for good will strength, and wise leadership" (Truman 1949:1). He also said: "our imponderable resources in technical knowledge are growing and are inexhaustible" (1949:4). These would be made available to "peace-loving peoples ... to help them realise their aspirations for a better life" (1949:4).

A new kind of colonialism was born, along with a denial of the motive of the old imperialism – no more "exploitation for foreign profit" (1949:4). Greater production was presented as "the key to prosperity and peace", with the key to achieving that being the "wider and more vigorous application of modern scientific and technical knowledge" (1949:5), and assumption of limitless resources. Modernism was a central element of this move, and was the predominant development ideology over at least three decades from the 50s through the 70s. This was a time of widespread belief in grand theory - rational, scientific and reductionist theory which posited that reality can be measured, understood, planned and guided, not only within specific fields of study but applied into other key aspects in life including society and the economy. Theories of economic development favoured Western countries because these were seen, by themselves at least, to be most successful at the time – the most 'developed'.

It was actually the benevolence of this new colonialism that is thought to have created the Third World. "The one common characteristic of the Third World is not poverty stagnation, exploitation, brotherhood or skin colour. It is the receipt of foreign aid. The concept of the Third World and the policy of official aid are inseparable" (Bauer 1984:40). Truman's Point Four Program in 1949 "urged bold measures to help the underdeveloped countries where, he said, over half of mankind was living in sickness and wretchedness" (Bauer 1984:40). World history and the international economy from the mid-20th century

forward is substantially influenced by a focus on development and the related motives. This leads to a closer look at what development is, and what activities have been involved.

"Development" Definitions

Rist (1997) gathers definitions of 'development' which are helpful to this thesis because they indicate variations in the way the word is employed on the wider international scale compared with day to day human activities. The term 'development' means something different to psychologists, mathematicians, and photographers. Development Studies uses the word to relate to "such concepts as material well-being, progress, social justice, economic growth, personal blossoming, or even ecological equilibrium" (Rist 1997:8).

Definitions of development include: a "Developing country or region applied to a country or region whose economy has not yet reached the level of North America, Western Europe, etc. Euphemism created to replace *underdeveloped*" (cited in Rist 1997:8) [1]. A second definition comes from a report summing up the aspirations of 'developing' countries, saying development is: "a process which enables human beings to realize their potential, build self-confidence, and lead lives of dignity and fulfillment (cited in Rist 1997:8) [2]. This definition goes on to add comments about political, economic, and social oppression. Another report describes it this way: "the basic objective of human development is to enlarge the range of people's choices to make development more democratic and participatory" (cited in Rist 1997:9) [3]. The overall concept of development within the context of this thesis relates to the idea of assistance in economic, social and political improvement from one government or agency to another party.

Development Projects and Failure

The relevance of this section is to outline the position where optimism over development involving top down methods has not been matched by an equivalent level of success, and

---

[1] From *Petit Robert* dictionary 1987
[2] The Challenge to the South: The Report of the South Commission, Oxford University Press.
[2] UNDP Human Development Report 1991, Oxford University Press

this has fueled a search for the new approaches discussed later. Over time, a large number of projects have been designed and undertaken. Many failed to deliver anticipated outputs at expected levels, either in progress or at conclusion. It became evident that development *theory* and development *practice* did not work out well together in the sense of having the same end point. "Development projects often don't go according to plan" (Meister 1996:54). Projects have been over-budget, late on completion, and often inappropriate. Additional concerns, after the fact, included environmental impact, religious, and socio-cultural disturbance. Inadequate uptake by the local people was another concern (Meister 1996) due to the lack of active participation by local people at all stages of the project. Rondinelli (1983) has gathered a number of criticisms of development projects, and says that they: "are often planned and managed ineffectively and thus do not achieve many of their intended goals or produce the advantages" (1983:317). Of particular relevance to this thesis about state deregulation and community empowerment is the work of Rondinelli where he cites research by Montgomery (1972) and Nelson (1973) and notes that:

> "Nelson found no [successful] projects among those undertaken by the national government. All economically viable projects were spontaneous colonisations, private efforts, or publicly supported but privately executed ventures. On the other hand, 'practically all recorded failures have been state-directed projects'"
> (Rondinelli 1983:323).

The top down approaches based around expert knowledge, have enjoyed less success than hoped for because of failure to include important local factors at all, or simply gloss over them. Often, Western techniques and approaches were simply not successful when attempted elsewhere. Factors associated with this include: land usage, climate, perspective of the people, markets, economic systems (use of money for example), culture, religion, family, gender and life patterns.

Technology and economics - key export components based around Truman's inaugural presidential speech - have remained strong factors. That speech indicated a new kind of

colonisation associated with technological exports and economic development as keys to the good life. The perspective continued with successive American leadership:

> "When Richard Nixon declared ... that the spirit of Apollo Eleven would bring peace amongst the nations, his words betrayed a belief in the saving power of technique" (Goudzwaard 1978:14)

Besides the saving power of technique, there is also a basic economic motivation, in terms of accumulating financial wealth, that has been promoted as efficacious for life satisfaction. Keynes added his concurrence to this:

> "For at least another hundred years we must pretend to ourselves that foul is useful and fair is not. Avarice, and usury, and precaution must be our gods for a little longer still" (cited by Schumacher 1973:93). This author then adds "That avarice, usury, and precaution (ie economic security) should be our gods" was merely a bright idea for Keynes, he surely had nobler gods. But ideas are the most powerful things on earth, and it is hardly an exaggeration to say that by now the gods he recommended have been enthroned". (Schumacher 1973:93)

Perhaps the hundred years are not yet up but processes seem to be moving into place for the different motivators that will lead us forward. The gods of technology and economic results may yet be replaced by community spirit, caring for others, deeper satisfactions and spiritual searches (Lovat and Smith 1995:245). These themes are discussed further in the educational context of the next chapter, and are notable amongst the participant's responses in the study.

As modernism began to languish, focus coincidentally shifted or was motivated away from 'think-big' and 'top-down' approaches and moved towards individuals and local groups with ideas and energy. Different factors began to arise and take a level of precedence. These include personal satisfaction - a sense of involvement, community participation with people in their environment and life circumstances. A key concern associated with the effort and activity of these recent decades remains that the growing gap between rich and poor countries has persisted (Seligman and Passe-Smith 1993:393).

Alternative approaches have been sought, and come in two forms, both of which are addressed in the following discussions. One form of alternative development is populist, with attention on egalitarian, gender, and sustainability issues. The other, involving the entrepreneur and free market, stresses individual initiatives and is also considered in the manner of how it relates to former state functions. State intervention may have involved projects, regulation, welfare, and collectivism. These, however, stand in contrast to new thematic approaches which have ideas of encouragement for individual or small group opportunity for development, which are diverse and sometimes perceived as lacking the economies of large scale.

New Thematic Approaches and Research Methods

Based on the experience of the mixed success with development projects and the waning influence of modernism, new themes have been found to describe changing trends. Research methods which explore the perspectives and purposes of participants, and are more ethnographic in orientation, have emerged to assist with description of the trends. Themes associated with these recent moves in Development Studies include sustainable development, and development from below including participation and empowerment. Also, there have been moves in the direction of: small is beautiful, appropriate technology, and basic needs, as part of development from below.

These are keywords and phrases in connection with this study and they arise from a renewed interest in people's needs, motivations and interests at grass-roots levels. The alternative development perspective coincident with post-modernism is oriented towards personal choices, searches for meaning, purpose, economic and social viability and a call to human-ness and actualization. Post-modernity includes a reactionary swing away from its strongly evident predecessor – modernism, discussed earlier. Forward moves involve dissatisfaction with the universal explanations and results of modernism, and the search for explanations and approaches that are more diverse personal, human, and environmentally friendly.

Toye (1993:241) gives descriptions of the intellectual shifts that have created what is being collectively described as post-modernism:

> "Various attempts have already been made to construct a new intellectual consensus … Many policy-makers seem to be happy only when they can work within some codification of agreed truth, regardless of its content. But any such attempt is necessarily strained and artificial, given the diversity and open-endedness of ongoing research and enquiry on developmental issues".

Toye seems to say that collective knowing and agreement, or intellectual consensus is unobtainable at present as new research turns up new things in an ever-changing environment.

With this in mind it is not surprising to find an emergence of scholarly research activity addressing qualitative approaches or "Postmodern Ethnography" (Glesne and Peshkin 1992). This involves rapport, subjectivity, ethics and an inductive basis for analysis. These ideas are in contrast to quantitative approaches involving analysis of frequently large amounts of static data, repeatability, and the larger scale method in which the scientific method was interpreted. Qualitative approaches, often involving participant observation or working closely with the subjects in some way, lend themselves well to the analysis of social situations (Lofland and Lofland 1995) and provide insight and warmth, that some of the calculating quantitative approaches, involving objectivity and deduction as the only proper method, cannot address.

The emergence of these methods provides a scholarly basis for this study where the focus is substantially on qualitative circumstances. Also, a different slant becomes available on the data itself, producing varied analyses and rationale. The work of Lofland and Lofland (1995), relates strongly to this research project because their research involves participant observation, along with interviews (as an approach) providing the data with high levels of validity, an interpretive quality.

10

Returning to the practice of development, it is important to note a significant shift recently in orientation. The notion of a 'development project' (McMichael 1996:15-73) is discussed as a means of understanding the movement and identifying many inter-relating factors within the overall pattern of development after 1945. Projects during the earlier decades (50s-70s) generally related to a particular area within one country, but now the interconnection of activities affecting each other is extensive. Projects are no longer able to be seen in the same kind of stand-alone manner. The networking activities and effects are extensive. McMichael says: "we can no longer understand the changes in our society without situating them within this global context" (1996:5). He presents the larger international model for assisting with understanding of the pressures at work for development and social change, and coins the term 'global project' to capture the sense of spread and cross-border influence of the activities of one region or country on another, with many links and impacting factors. Neo-liberalism, occurring on an international basis is part of the of the 'global project' and state deregulation in various countries is a factor within this.

State Deregulation

The idea of state deregulation is important to this study because previous substantial levels of state control and authority frequently associated with the earlier development model are now being divested allowing private provision of welfare services (including teacher-education, the focus of this study) amongst many other things. The role of the state has typically been to set the tone and provide leadership in the sense of the universal, normative, and communal aspects of the society. State divestiture of power is a key construct in this thesis as it is closely associated with the opportunity for grass roots movements, such as teacher-education development in New Zealand, to flourish.

In the case of state power, there has been a decline as evidenced in the following discussion of state retreat, and a reassertion of the underlying grass roots perspectives. "The Retreat of the State" (Swann 1988, Strange 1996) is a notable phenomenon occurring on a widespread basis in both developing and developed countries. This provides the

11

climate for initiative and creativity amongst citizens of a society. Swann (1988) presents a major study of the increasing worldwide phenomenon of the retreat of the state and resurgence of the market economy. He identifies underlying factors including "Deadweight Welfare Loss" along with matters of inefficiency, scale economies, and competition equilibrium. The work particularly deals with deregulation and privatisation in the UK and US, although much of the directional thrust has parallels to the New Zealand situation. "Privatisation in the UK has been substantially inspired by considerations of political ideology. ... By contrast the deregulation movement in the US ... was largely conceived of as a technical exercise in which economic benefits were looked for" (Swann 1988:316).

Strange (1996) also deals with this movement of declining authority of the state, the international nature of this trend, and idea that it is occurring regardless of the political ideology that has been dominant.

> "Today it seems that the heads of government may be the last to recognise that they ... have lost the authority over national societies and economies ... Politicians everywhere talk as if they have answers to economic and social problems, as if they are really in charge of their country's destiny. People no longer believe them" (Strange 1996:3).

Strange (1996) presents her own list of who is really in charge and includes some empirical evidence of authority beyond the state. Examples given by Strange are typically trans-national in profile including; telecoms, organised crime, insurance and risk managers, the Big Six accounting firms, cartels, and international/ multi-national corporations who Strange (1996) calls 'econocrats'. Having the last example in mind, the actual control, or referee voting probably lies with the stock exchange punters, for whom corporate performance results or speculations are of vital interest. Corporate institutions are much more likely and able to be entreprenuerial than governments, and this is another theme of this review.

The 'unregistered economy' (Reynolds 1991:58) or black market, has probably always existed historically alongside governments but has come into focus as modern governments have tried to coordinate activities. Governments have been less than successful in curbing efforts to avoid taxation or regulation (for sound economic reasons in the view of the operators) or the governments have been generally weak or corrupt themselves. Many factors are involved in the evident trends. Grass roots development is coincident with the rise of neo-liberalism in economics, and the state has been passing many of its former functions to the community.

> "Economic planning may be described as a deliberate governmental attempt to coordinate economic decision making over the long run. The idea is to influence, direct, and in some cases to even control the level of growth of a nation's principal economic variables (income consumption, employment, investment, saving, exports, imports, etc) to achieve a predetermined set of development objectives" (Todaro 1994:566).

This assumes considerable ability to control. Todaro lists some concerns current in the area of global interdependence (1994:634-649) such as greenhouse gases, ozone depletion, pollutants, rain forest preservation which are or have been causing a new gathering round in at least rhetoric for cooperation.

Dealing with the philosophy of the state it is fair to say that, moving *into* the 20th century, societal ideas may have been dominated by the thoughts of Hegel. Toye (1993:17) says that "the idea of freedom, for Hegel, did not mean the freedom of each individual to maximise his or her own utility with the minimum interference of the state. 'Mere self-seeking' was seen as the problem. The freedom envisaged required an "ethical social life". This was created in the family and found in civil society and in the state.

> "As for the state, it had to be based on the rule of law … State officials … recruited by education and merit, … constituted a 'universal class' capable of acting impartially in the public interest. Hegel's view was thus at dramatic variance with modern critiques of the state which deny the very possibility of benevolent

13

government and demand its confinement to an absolute minimum of functions"
(Toye 1993:17).

On the other hand, and moving forward in history, Lal (1983:108) cites Keynes in the
matter of why the state needs to retreat. He says: "the ineptitude of public administrators
strongly prejudiced the practical man in favour of laissez-faire – a sentiment which has by
no means disappeared. Almost everything which the state did in the 18th century in excess
of its minimum functions was, or seemed injurious or unsuccessful". Lal says these things
in his context of the "Unlamented demise of 'development economics'". The *Wealth of
Nations* (Keynes 1926) is then cited by Lal as being relevant and modern. Governments
had gone well beyond what was considered a sensible agenda by Keynes. Lal considers
what he thinks should be the extent of state activities and says:

> "The most important agenda of the State relate not to those activities which private
> individuals are already fulfilling, but to those functions which fall outside the
> sphere of the individual, to those decisions which are made by *no one* if the state
> does not make them. The important thing for governments is not to do things
> which individuals are doing already, and do them a little better or a little worse; but
> to do those things which at present are not done at all". Lal (1983:108,9).

Moving *out of* the 20th century, the West at least has seen a move from state led, top-down
approaches based around capitalist modernism. Brohman (1996:21) notes that:

> "the modernisation approach envisioned development as a process of rapid induced
> changes that cumulatively would result in a linear progress toward and end point
> closely resembling the contemporary advanced capitalist world... the new approach
> to development will ... involve freeing up minds, and searching for innovative
> solutions, because the stale ideologically driven debates to which we have become
> accustomed have lost their relevance" (1996:197).

14

Citizen Empowerment

The second major construct for this thesis is the notion of citizen empowerment. This is examined briefly below first through literature related to the Third World. The literature seems to suggest that citizens, in some countries at least, have become empowered through participation in the development process. The notion of citizen empowerment through entrepreneurial 'push' and government 'pull' factors is then examined.

Connections to Third World circumstances are traced through situations where state controlled projects have been dispensed with in favour of smaller group, geographically localised, or indigenous participation and empowerment. This is important to the study and thesis because it provides evidence of an international trend for citizen empowerment through bottom-up approaches operating in association with the state. Recent research has seen several studies relating to state deregulation across a range of endeavours, indicating a number of moves in China (Nolan & Xioaqiang, 1999), and Africa (Ariyo & Jerome, 1999). Bureaucrats are still in business though, and roles are dealt with (Shirley, 1999), why they are still there (Yarrow, 1999), and there are reasons given why developing countries have not privatised deeper and faster (Ramaturi 1999). The private sector certainly seems to want to try but there are many factors involved, including power grouped infrastructures, and ability to move quickly enough, or desire or ability to move at all.

Ground-up development and cooperative partnerships between governments and non-government organisations large and small appears to be a worldwide phenomenon. Brown and Ashman (1996) identify African and Asian cases of difficulties addressed and the means by which this is achieved. They say that cooperation in policy/ programs implementation between state and nongovernmental actors can sometimes solve intractable development problems but such cooperation must span gaps in culture, power, resources and perspective. The Brazilian experience seems similar (Hall 1994) where there has been questioning of planning that uses reductionist models of social change. This model being chosen rather than considering a wider range of integral societal factors such as the rise of

new social movements combined with the intervention of externals agents. External agents include the radical church, and rural trade unions, and Hall suggests that an actor-oriented model responsive to local circumstances is far more appropriate (Hall 1994).

Citizen Empowerment through Participation in the Development Process

Rigg (1993) clarifies and defends a position about development that stresses people's participation in development saying this has become, or at least is becoming, an alternative to more conventional extractive methods of development. He calls for a look into the trend saying that it often goes without challenge that the answer to the world's ills and particularly the problems facing poor people in rural areas of the developing world, lies in the ideology and methodologies of grassroots development. He says this perspective has been successful in discouraging, or at least deflecting, critical analysis.

In considering grassroots organisations and nongovernment groups in rural development, Uphoff (1993) deals with attempts to classify the players and gives examples of accelerated rural development through grassroots organisations. Hewison (1993) says that whilst many strategies are still in development, the populist approaches emphasise groups often neglected by the state, and the non-government sector is so challenging to state strategies that it must be taken seriously. Essentially, there seems to have been two approaches to ground-up development. One is populist and egalitarian in nature with interest in basic needs and having a social focus. The other is entrepreneurial operating with freedom from state control, and an economic or social focus. Entrepreneurship is considered next.

Entrepreneurship

The following sections cover definitions and characteristics of entrepreneurs, entrepreneurs and society, and government intervention along with its effect on entrepreneurs. Entreprenuership is of critical relevance to citizen empowerment through ground-up development, and therefore to this study. It is where initiative and resourcefulness are evidenced in pursuit of apparent opportunity. An entrepreneur is "one who undertakes an

enterprise" (Macdonald 1972:436). Examination of the word 'enterprise' from the same source (p.435) gives "an undertaking: a bold or dangerous undertaking: readiness, initiative, and daring in undertaking: a business concern". The word's origins, coming to us in English, through French from Latin, provide an interesting base for understanding the activity. French *entreprendre* connects *entre* - between and *prendre* - to seize. Entrepreneurial activities, then, involve seizing the between (or gap). This involves the many facets variously identified in the literature with the classical model - such as opportunity (possibility, need or gap), vision, initiative, creativity, energy, planning, action, passion, perseverance, innovation, boldness, and risk-taking.

There is a large apparent rise in entrepreneurial activity which coincides with far-reaching economic reforms in the West (mostly moving away from state-dependent socialism), in the Communist Bloc (dispensing with centrally planned economies), and in the Third World, where top down development projects from the 1950s have had mixed success as discussed earlier. In summary, with major changing economic circumstances worldwide, opportunities seem plentiful, and there are strong pressures to take them up, including the reduction in welfare programmes, and deregulation of formerly state-controlled activities. State retreat has allowed a place for both populist and entreprenuerial ground up development at a time when grass roots movements and the seeking of opportunity for participation and empowerment have been on the rise.

In classifying the range of contributions, or schools of thought, to the list of theories about entrepreneurial activity, Cuevas (1994) puts the commencement of the study of classical theory with Richard Cantillon. Cantillon in 1734 had the "historic honour of 'coining' the term 'entrepreneur' into economic literature" (Cuevas 1994:79). Hisrich and Peters (1995:6) give a table which places the concept of Cantillon and others into historical perspective. A thematic statement could be that the entrepreneur is someone who takes up any opportunity that has a risk of failure (but enticing prospects for success). The Hisrich definition, also part of the given list is more comprehensive and elegant: "the process of creating something different with value by devoting the necessary time and effort,

17

assuming the accompanying financial, psychological, and social risks and receiving the resulting rewards of monetary and personal satisfaction" (Hisrich and Peters 1995:6).

Table 2.1 below summarises Hisrich and Peters (1995:9) who list perspectives from others involved or watching. A sixth perspective, that of the politician, was added. All of this assumes success with the venture. The following table helps to identify different perspectives involved with innovative activity and therefore different motivational self-interests that will be effective in bringing change.

Figure 2.1: Perspectives on entrepreneurial activities

From the Perspective of :	Entrepreneurial features and results:
Economist	brings resources, labour, materials, other assets, into combination making greater value than before
Psychologist	driven by forces - need to obtain or attain, experiment, accomplish, or escape authority of others
one Businessman	a threat, aggressive competitor
Another Businessman	an ally, source of supply, customer, or someone good to invest in
Capitalist Philosopher	creates wealth for others also, finds better ways to utilize resources, reduce waste, produces jobs that others like to get
Politician	source of power, persuasion, support, taxation, financial wealth

Entrepreneurship takes mission, vision, and passion (Smilor and Sexton 1996:11), and something more. Personality factors of the people involved make an interesting study. Kuratko and Hodgetts (1995) discuss these along with the matter of motivation. The entrepreneurial ego is said to have "the strong desire to control both their venture and their destiny ... the entrepreneur rises up as a defiant person who creatively acts ... " Kuratko and Hodgetts (1995: 54,55). These authors also provide a definition from the variously quoted Ronstadt (1984:6):

> "Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time, and/or career commitment of providing value for some product or service.

18

The product or service itself may not be new or unique but value must somehow be infused by the entrepreneur by securing and allocating the necessary skills and resources".

Entrepreneurial Characteristics

Contribution to the further analysis of the characteristics of entrepreneurs comes from distinguishing personality types, and is significant in this study because it deals with the motivating characteristics of innovative people, potentially some of those who participated in this study. Miner (1996:4) gives four personality types: the personal achiever, the supersalesman, the real manager, and the expert idea generator. The much referenced achievement motive (McClelland 1961) is cited by this author also, who along with many others see the internal psychological and personal factors as determinative.

No review of business and management literature would be complete without reference to Peter Druker. Dealing with innovation and entreprenuership, Druker (1985) cites the French economist J.B. Say who is quoted around 1800 as saying "the entrepreneur is one who shifts economic resources out of an area of lower and into an area of higher productivity and greater yield" (1985:19). Druker proposes that what Say meant by the term entrepreneur was "a manifesto … a declaration of dissent: the entrepreneur disrupts and disorganises". Citing Joseph Schumpeter, his task is "creative destruction" (1985:23). Druker includes useful discussion about the position Marx held, which was to exclude the entrepreneur from his system and economics which focused on distribution. Notwithstanding the many approaches to the study of entrepreneurship, which focus the personality of those involved, Druker says simply that entrepreneurs are change agents who "see change as the norm and as healthy. Usually they do not bring change about themselves. But … the entrepreneur always searches for change, responds to it, and exploits it as an opportunity" (Druker 1985:25).

Merchants of Vision (Liebig 1994), is a catalogue of entrepreneurial people with their ideas and success stories. Jaworski (cited by Liebig 1994:11) says,

19

"one thing apparent today is that there is a major power shift going on. Power in governments that were under central control is being devolved down to the people … also… in corporations … same phenomenon and I don't think it can ever reverse itself".

A number of evident themes are noted across the contributors - six key concepts which are threaded through the material: 1) enhancing social equity, 2) protecting our natural environment, 3) enabling human creativity, 4) serving higher purposes, 5) behaving ethically, and 6) transforming personally.

Society and Entreprenuers

Entrepreneurs, society and government have a vital and interactive relationship. They need each other, and impact upon each other – entrepreneurship brings spark, energy and vigour, society provides an environment and setting for the activities, and along with government, ensures a degree of moderation and regulation. The roles of entrepreneurs and society are discussed next. Entrepreneurs stimulate society and the economy with innovation and creativity, and the society regulates their activities to some extent in both informal and formal ways: informally, through general interaction and involvement with, or avoidance of, the people and project: and formally, through governmental regulations and perhaps the stronger or more evident social conventions.

These constructs are important to this study because they give explanation to the mechanisms involved with the 'pushes' and 'pulls' for change (Cameron 1998). Cameron (1998) mentions: "entrepreneurs are a product of the society they are members of, and their attitudes to showing enterprise and taking risk" (1998:204). Entrepreneurs come from within society and are produced by it. In return, they are also contributors back into the society. "… entrepreneurs have a role in increasing the economic well-being to play in the development of local and national economies." (1998:205). Reynolds (1991) identifies entrepreneurial activities as complex, multi-faceted phenomena, with perspectives available from a range of social sciences.

"Sociology complements anthropology, economics, geography, history and political science in providing an understanding of how societal context affects the prevalence and role of the entrepreneurial sector ...Sociology complements labour economics, social psychology, and personality theory in understanding the decisions of individuals to pursue entrepreneurial behaviour". (Reynolds 1991:67).

Society plays a key role in impacting entrepreneurship, as does the entrepreneur in stimulating society with new ideas and energy. "The socio-economic system is the context in which entrepreneurs will found new firms" (Reynolds 1991). Other activities with entreprenuerial spirit are not commercially focused but may be intended for social purposes as a public good without any intention of financial gain. Cuevas (1994:81) mentions the promoter-energizer (booster) aspect as pivotal in saying;

"all ... schools of thought embrace the 'booster' aspect and convey a measure of responsibility for the creation, sustenance or development ... the *essence* of these theories ... is the element of uncertainty which Cantillon alludes to in the oldest known definition of the entrepreneur".

Society's role and impact is not just as recipient of the benefits of success, but also needs to deal with the situation in the event of failure as already discussed. This overall impact connection occurs in two ways, either by direct action amongst individuals or via the media, or in a liberal democracy, through a government by way of uniform administration. The media is effectual in both of these situations partly because of its power in distributing information, and partly because of its power in influencing, colouring, or selectively reporting and events or circumstances.

Governmental Intervention and its Effect on Entrepreneurs
The level and type of governmental involvement in society is intimately related to this study, involving state deregulation, citizen empowerment and the more cooperative and consultative approaches of partnership. This covers areas of regulatory activity, including but not limited to taxation, and the amount of direct involvement in the commercial sector

- with the government as a provider of goods and services, where it is in competition with or forbids private sector enterprise. Discussing 'take-off' periods of economic growth from the mid 1700s to the 1920s, Reynolds (1991:58) notes:

> "The most significant causal influence ... was government action ... having a major effect on ... conditions that affected the presence of entrepreneurship. Entrepreneurial activity was considered to be a major factor in socio-economic change and growth ... entrepreneurial growth followed encouragement by the government".

The phenomenal rise in new business startups in the late 20th century has in part been attributable to deregulation by governments (producing opportunity, and workers without jobs), partly encouragement by government (incentives of various kinds), and achievable because of the fundamental economic and social nature of humanity - the desire to move forward and see an improved future, willingness by many to get involved - to 'seize the gap' ('enterprise') with perseverance, innovation, and energy. All of these constitute motivational 'pull' factors associated with development.

Timmons (1994: 3-26) describes the entrepreneurial process in its many facets, and proposes that it is a most important rising trend - a "Silent Revolution" which will effect the 21st century as much, or more than the influence of that the 19th Industrial Revolution had on the 2Oth. He identifies an important connection of entrepreneurs to society:

> "Entrepreneurs are critical contributors to our economy, and their contributions include: leadership, management, economic and social renewal; innovation; research and development effectiveness; job creation; competitiveness and productivity; the formation of new industries; and regional economic development." (Timmons 1994:4)

Hisrich and Peters (1992) assure us: "Society's support of entrepreneurship will continue. This support is critical in providing both motivation and public support. Never before have entrepreneurs been so revered by the general populace. Entrepreneurial endeavours in the

United States are considered honourable and even in many cases a prestigious pursuit" (1992:19). This seems to highlight the possibility of reality for the assertion and question of Druker (1985:247) that "the welfare state is past … Will its successor be the Entrepreneurial Society?"

Brohman (1996) presents a treatise about popular development and rethinks both the theory and practice of development. Dealing with the complex and multifaceted nature of Third World societies (and surely the West is not different to this in the sense of also being complex and multifaceted in nature), he identifies themes first as rejection of grand theory and Eurocentric biases (Brohman 1996:325-8). The West itself has been searching more widely for a philosophic and worldview basis beyond its previous traditions. Bridging the theory and practice gap is connected with this, and has had strong motivations from below where popular movements have become very interested in new realism versus old dichotomy, involving balanced and sustainable development.

Indigenization of development (Brohman 1996:337) is on the rise. This is in contrast to the top-down universal Eurocentric approach. Given the decline of grand theory, empowerment and people-oriented development (Brohman 1996:345) have re-emerged and are finding their place in the developing future, and contributing much to the shapes and structures of society worldwide.

The debate moves into the realm of what constitutes good governance. This is addressed by Van Rooy (1997) concerning the frontiers of influence, and Edwards and Hulme (1996) who consider "bilateral and multilateral donor agencies (who are) keen to finance nongovernment organisations (NGO) and grassroots organisations (GRO) on the grounds of their economic efficiency and contribution to "good governance". Clark (1995) notes that a key determinant in the development contribution of non-government organisations is their relationship with the state. He says they (NGOs and GROs) "may run parallel activities, or play oppositional roles, or may represent weaker members of society, organising them to become more influential in decision making and resource allocation:

23

This "civil society" function entails moving from a supply side approach, concentrating on project delivery, to a demand side approach, helping communities articulate their concerns and participate in development processes.

Commenting about the role of civil government in entrepreneurship is appropriate because of the key position government has in maintaining normativeness across a society. The matter became obscured in the 20th Century West with respect to the classical model, since Keynes persuaded Roosevelt during the great depression of the 1930s that government should oversee the provision of wealth for citizens by borrowing and providing economic programmes (Breeze 1990). This dramatically expanded the welfare state which has existed since in various forms in OECD countries, and is being dismantled somewhat at present - coincident with the rise in entrepreneurial activities.

Hisrich and Peters (1995:16) note "that government is one method of commercialising the results of interaction between social need and technology ... called technology transfer...". The authors note that there has been little success with this because even though "government has the financial resources ... it lacks business skills, ... bureaucracy and red tape often inhibit the necessary strategic business from being formed in a timely manner". When Meyer (1995) considers the matter "through the lens of entreprenuership" the findings are that, "the theoretical framework proposed assumes that self-interested behaviour coexists with loyalty, commitment and altruism as well as opportunism". Dornbusch (1995) assures us that "Free markets work best – but they need a little tweaking". He goes on to explain that Statism has had its time on the stage and only free economies assure growth along with opportunity. These items are key to this study in pointing towards a middle ground of strategic partnership of government and the community.

Summary

In examining motivations for change and developing a framework for understanding the pressures evident internationally, it is clear that there is a movement towards community

empowerment and strategic partnership occurring simultaneously with state deregulation. The state is divesting power, and this is readily being taken up by individuals and community groups who are seeking to implement change. At the same time, the state is assisting with the process of individuals and community groups developing their initiatives, by encouraging partnership activities. These partnerships are being developed between the state and citizens.

The next chapter examines more closely how this international trend, noted in Development Studies, has also occurred in the New Zealand. The chapter further investigates specific implications and outworking of this in the field of education in a manner that seeks to provide a framework for understanding the changes, and strategic partnerships of state and community.