

Justice for education and the economy

The problem:

1. Unemployed and under-employed graduates from crown universities and other tertiary institutes which Study-Link pays tuition fees.

A simple solution:

2. Established study-link supported tertiary institutions must report the performance of study programmes in the employment market and publish the results in student recruitment or marketing communications (on every one of their website right next to the programme study).

3. Illustration of the solution:

Canterbury University 2017 Human Resources Graduates Degree Employment Report

Year	Quarter	(A) Employed in an HR role	(B) Employed in an HR associated role	(C) Under Employed but not earning less than A or B	(D) Under Employed and earning less than A and B	(E) On Job Seeker Benefit	(F) In further education to improve job chances	(G) Left New Zealand to search for employment
2017	Jan – March Av. income	20 \$40 000	25 \$36 000	7 \$36 200	20 \$30 000	15	10	4
	April- June Av. income	25	17	9	25	5	15	5
	July- Sep Av. income							
	Oct – Dec Av. income							
2018	Jan – March Av. income							
	April- June Av. income							
	July- Sep Av. income							
	Oct – Dec Av. income							
2018	Jan – March Av. income							
	April- June Av. income							
	July- Sep Av. income							
	Oct – Dec Av. income							

Premises of the solution:

4. No student (except an insignificantly minority) will enrol into a programme of study with poor employment performance no matter their passions even if that programme was free: strongly

so, no student will get into debt for a study programmes that has poor prospects. Reliable employment prospect information is of absolute importance.

Administration

5. Laws can be created that require students whose fees have been paid by Study-Link to update the tertiary institution with required details. Those that fail to comply may have a fine imposed or study-link could impose interest- payments for the duration of none-compliance period, a revamp of tax administration for employees of self-employed graduates, require Work and Income to report data to job seeker benefits to the tertiary colleges, etc

The brilliance of the solution

6. This way of operation will get universities to think hard about the choices and quality of programmes they offer including the production of work ready graduates.
7. It is most likely that faculties and/or departments at tertiary colleges will work at establishing and maintaining relationships with employers, more than they currently do. This can only lead to good outcomes for graduates, employers and the economy.
8. a. Faculties and or department will most likely create effective employment-search units for their graduates that will equally aggressively advocate for their 'products' that is their students the way Private Tertiary Institute (PTI) market their students.

b. PTIs in student recruitment campaigns market employment opportunities (this is also for permanent residency application benefits for the students) to their international student and not so much the qualification and they work hard to secure jobs for the students. On the other hand, crown colleges offer a better and credible qualification but do little to nothing of advocacy for their graduates.

c. Firstly- the quality of most if not all degree qualifications is strong enough that a graduate can be productive in a short period of time. Secondly- it is important to note that New Zealand has a in many quarters a culture than prefers experience to 'papers'- qualifications. An experienced administrator will most always be preferred to an HR Graduate for a coordination or administration role. We know that an HR graduate will within a couple weeks or months be as competent as the experienced administrator. Even better, the graduate will go on to be more valuable to heights that the experienced administrator might never reach. The experienced administrators is more likely to move to middle and top management and will in-turn prefer experience, and might frown at paper holders- graduates: a culture biased against qualifications is cemented. The bliss of ignorance that tramps on graduates is likely to tighten that culture that prefers experience to 'papers'. The proposed way of operation will pressure Faculty/Departments heads to advocate for their graduates and at strategic levels ie lobby CEOs. Graduates should be able to sell their competencies but a realistic assessment of the culture that prefers experience to qualifications shows that there is little graduates can do to decisively engage.

9. A new tertiary institution ranking order. A college that has poor scores in graduate employability is not likely to attract students and this will pressure the university to work hard at graduate employability.

Other uses of the data:

10. Determination of loan applications
 - a. This may depend on ideology. Study link could then decide not to pay for study programmes with an average score of less than 90% in columns (A) to (C).
 - b. Students in categories (D), (E) and (F) who show evidence of job search efforts as well as willingness if reasonable to relocate within New Zealand for work that is in Category (A) or (B), ought to have their loans reduced by the lowest average percentage loan reduction of loans repayment from categories (A), (B) and (C). Interest payment must be cancelled for those in category (G) who have evidence of job search campaigns and willingness to relocate in New Zealand for a career in category (A) or (B)
 - c. Students that decide to enrol into a study programmes that have poor prospects must pay an interest unless there is a special reason for exception or must not have the benefits describes in above 10 (b) above.
 - d. Life time limits on student- study-link borrowing must not apply to those in categories (D), (E) and (G)

Additional comments: Notes and philosophies

11. It is possible that a study programme at one university will have a higher score in categories (A) and (B) than at other institutions. This is OK: it would reflect the motivation and the competence of the Institutions. Benefits and consequences must apply accordingly. Competition is good in a market economy.
12. Some study programmes employability would obviously need to be adjusted by honest research studies, eg an earthquake that destroys a city could mean certain study programmes that might have scored badly will now need to be revised up.
13. Look at the Credit Contracts and Consumer Finance (CCCF) Act 2003, a brilliant weapon and shield to protect consumers who generally are grown up adults. On the other hand, the majority of study link consumers are impressionable teenagers and young men. Study link loans are credit contracts and one with dangerous consequences of imprisonment in some situations¹ and it is also a contract of adhesion- not easy for clients to negotiate terms and conditions. If the law has done so much to protect grown-up adults, shouldn't it do more to protect the of study-link clients- ie impressionable teenagers and young persons?
14. Career advice and information especially regards employment opportunities have been characterised by 'hoped-for- eventualities' and/or generalisations, creating an information

¹ Unemployment has forced graduates to leave the country and upon return, if they have been unfortunate they can be arrested for failure to pay.

gap. A dangerous one! A gap 'abused' by tertiary colleges to encourage 'bums-on-seats'; the results has been a drain on fiscus, terrible emotional and psychological injury on graduates, hopeless education debt impoverished students, etc

15. Specific data on the employment opportunities the report of is based on the specific programme of study at a specified tertiary college is a most decisive solution. It is the greatest equaliser between 'bums-on-seat' policy on one hand and vulnerable and impressionable teenagers and young persons on the other.
16. Historically a degree qualification almost guaranteed employment but this is not the case anymore. There is an increase in the number of unemployed and underemployed graduates. A recent report by universities² on the value of a university education does not seem to appreciate this fact: it was more of a marketing gloss than anything. The research sample was too small to develop a meaningful national policy. The government spends billions on tuition and education: we don't need samples; we need all the hard data! The research data does not include under-employment: a law graduate labouring in a factory is part of the report's high employment rate success statistic! If a wanna-be-lawyer knew that of about 700 law degree graduates each year, there is hardly 70 vacancies for them, would that person study law?
17. A graduate must be job ready as matter of principle and policy. An education that leaves its graduate hunched-down by lack of experience is unfair to both the students and the economy. The view by some in the academic that universities provide 'education' and specific skills is redundant traditionalism. Universities are have to evolve and indeed some are evolving eg Massey University's food technology degree- those students will be work ready when 70% through their study programme.
18. There is a gross injustice in debt-impoverishing a graduate that followed the marketing promotions- career opportunities promises- by a tertiary institutions, who then despite excellent job search efforts fails to secure a job in categories (A) to (c).
19. Where a qualification is no longer valuable because of major changes- natural disasters or major economic policy changes such a freer trade (allowing the importation of shoes thereby killing careers for those who have paid fees to tertiary education in the industry), the loans ought to be 'bankrupted' in the manner discussed in para 10 (b) above. It's about justice: the student has borrowed to pay back from his or her labour, circumstances beyond the control of the student ought to free the student of the burden of the debt. A millionaire business goes bust, is bankrupted, but lives on millions in trust funds, is debt free in a few years. Is a society that is generous to business men not supposed to show the same generosity to its weaker members. Students that are vulnerable to government macro-economic designs and other stronger forces, students that really are in weaker powerless position, it is fair to bankrupt the loans where evidence shows, the student has done all but failed to get work or an income.
20. An tertiary institute that promises career opportunities without its own solid data, ought to be liable for deceptive and misleading misconduct under s9 of the Fair Trading Act, in the

² <http://www.universitiesnz.ac.nz/node/889>

event, the jobs fail to materialise. An adequate 'defence' would be for the institution to give potential students, information in the illustration above at 3.

21. Government to set up a vehicle to remedy the problem situation of unemployed, underemployed and job-not-ready graduates (students in categories (D), (E), (G) and possibly (F): a remedification budget.
 - a. The objective would be to support the specific tertiary institute and the student (and employer/s) work towards the employment of the student/s. The costs could be an allowance to the student for the duration of specific and targeted support (not CV writing, interview skills training, job search strategy or the like), which might mean an internship if the study programme did not have an internship programme, training in what an employer has stated to be a requirement as a condition to hiring the student. For example: it's a known fact that graduate nurses in New Zealand struggle to find and some have left for Australia. But DHB and many hospitals and rest homes are 'importing' nurses from overseas! A remedification vehicle would resolve this matter; give a graduate nurse an allowance, and get the employers to train the nurse in their ways. Same applies for law graduates: right now there is a serious shortage of family lawyers and huge unemployment of law graduates that are desperate for work. Get law schools, family law firms and the graduates- together, design a specific training programme which includes class and internship, have the family law lecturer and law firm coordinate, place the graduate in training with the law firm, pay the graduate an allowance until he or she is not a cost to the firm³. Everyone benefits, including society. Alas; both nurses and lawyers are not the government skills shortage list!
 - b. Work and income (MSD) supports the unemployed but it is not the able to help graduate especially because the objective by MSD is a numbers game aimed at reducing beneficiaries⁴: they push graduates into any role and potentially making the value of the degree redundant. Support at the tertiary college will ensure that the value of the degree is maintained and also maintains the pride of the graduate. The mistakes of lawyer are in jail, a doctor in the grave, a lecturer in the streets or benefit office-Now let keep the mistakes of the lecturer/tertiary institution in his or her yard to fix em!

³ Some professional bodies- (together with education providers) like the Law Society need a revolutionary make over. It would appear they are not all interested in the progression of law school graduates to established practitioner and this could be for selfish reasons ie create a shortage of lawyers thereby creating high fees to meet a huge demand. In the process most graduate lawyers get subjected to abusive and exploitative work conditions ie work 60 hours/wk for minimum wage, infect, when you factor the total hours worked, some graduate lawyers are earning well below the minimum wage. An so called 'honourable profession that really is house of silent horrors in many instances.

⁴ Perhaps MSD could create a special desk ie Unemployed and Underemployed Graduate Desk. This would be good for statistical purposes. Statistics that should be shared with the public, especially those looking for qualifications to study.