

THE PLACE OF VOCATIONAL EDUCATION AND TRAINING STRATEGY WITHIN THE OVERALL PLANNING FRAMEWORK OF GOVERNMENT: IMPLICATIONS FOR RESEARCH

Leo Maglen and Sonnie Hopkins
Faculty of Education
University of Melbourne

ABSTRACT

Decision making by government for vocational education and training is contrasted with that for other areas. The paper argues that the national strategy is unique in Australia, in that it is comprehensive, interventionist and the product of the federal and state/territory governments acting corporately. Some possible research implications are proposed.

Introduction

For over a decade, vocational education and training have been priority areas of governments in Australia, at both state and national levels. Their importance has been as a consequence of governments' need to address the dual problems of increasing unemployment, particularly among young people, and Australia's declining economic position relative both to other OECD countries, and to countries in the region. Given the instrumental nature of vocational education and training, research into them cannot afford to limit itself to being predominantly self referential, if it is to serve its purposes maximally of providing expert, informed, visionary and impartial critique. Rather, it must also examine itself in the broader context of planning for the labour market and the economy as a whole.

To do so would require an extensive program of research. This paper is an initial look at possible issues. We focus on decision making of governments because that is where ultimate authority lies; we are not overlooking the role of the bureaucracy, boards and the like. Some of our historical observations and explanations are based on personal experience, rather than search of records or the collection of opinions. We offer them as insights and tentative conclusions.

We first recap on how vocational education and training are assumed to affect unemployment and the economy, and confirm that they can be viewed as promoting both economic and sociocultural order. A model of government decision making for policy and planning is proposed that recognises the promotion of each economic and sociocultural order as key variables on the one hand, and an interventionist/non-interventionist dichotomy on the other. We consider the current national strategy for vocational education and training in the context of this model. We suggest that decision making for vocational education and training is unique in terms of its commitment of national and state/territory governments, together with its comprehensiveness and its level of intervention. We see this as reflecting a unique level of unanimity amongst governments about vocational education and training, as well as a history of less formal collaboration nationally within the sector. A brief look is taken at decision making for related areas of the economy. We suggest that the strategy has some of the characteristics of government decision making in these other areas, where there is a move to a less interventionist approach with a greater reliance on market forces. Possible research implications are suggested.

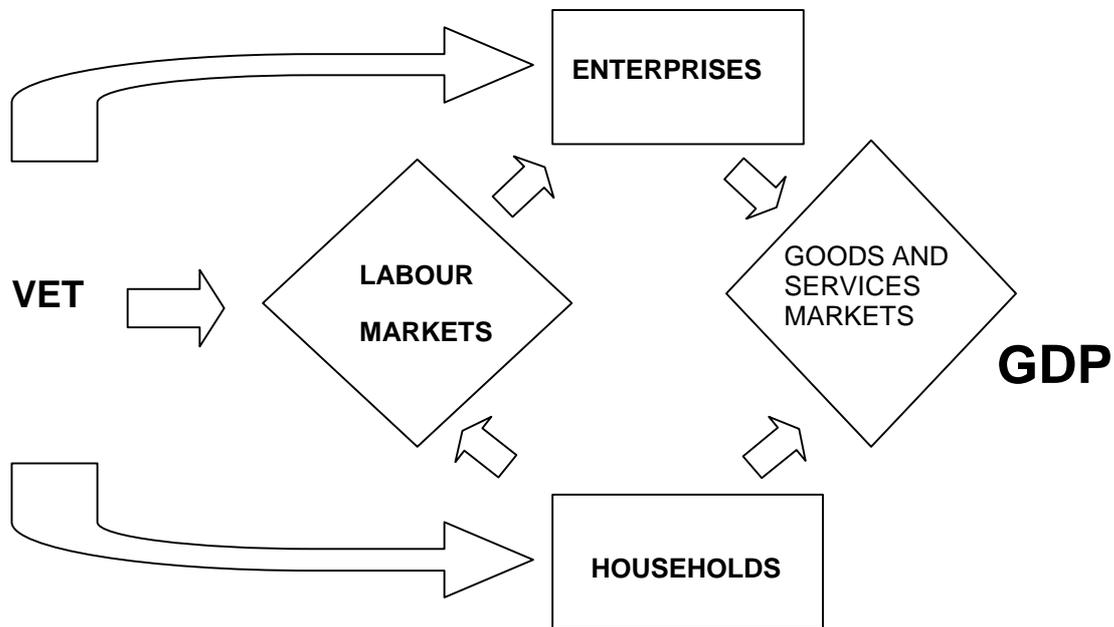
The justification for vocational education and training

Figure 1 depicts the role of vocational education and training (VET) in the economy. Its contribution is made in three ways:

- at the pre employment stage by preparing people for entry into the labour force,
- as a means of better matching between the capabilities of those offering to sell their labour, and the demands of enterprises as purchasers in the labour market,
- and by providing for the continuing development of capabilities of employees to meet the changing human capital requirements of the organisations that employ them.

As a consequence, VET can be expected to have a beneficial effect on the economy by promoting growth through its direct and indirect impact on the productivity of workers, promoting more efficient labour markets by enhancing labour mobility, and reducing unemployment, by providing job-seekers with skills and knowledge of value in the workplace.

Figure 1: The relationship between vocational education and training and the economy



There are social effects too. Work is a primary source of self esteem, and is the principal source of social contact for many people. Loss of work not only means loss of what is usually the major source of material wellbeing, but also boredom, damage to relationships within the family and concept of self, and possible diminution of status in the community. There are social costs through increasing crime and health problems. Indeed, Oswald (1997) argues that reducing unemployment has the potential to achieve a much greater increase in the aggregate level of happiness in the community than does increase in GDP.

Government decision making

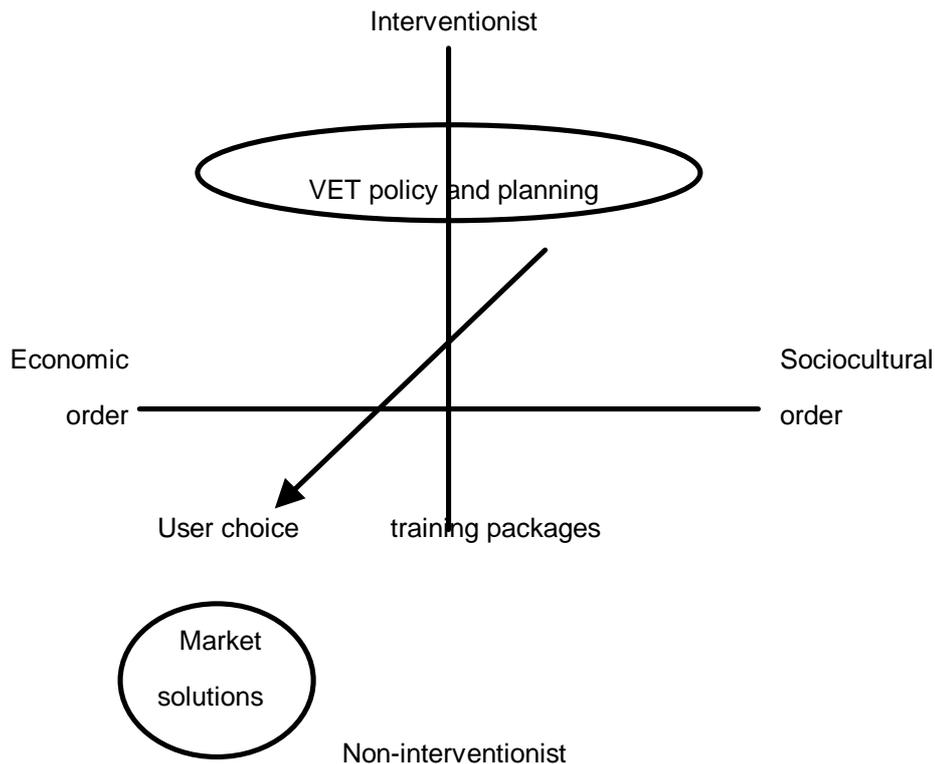
Michael Pusey employs an economic order/sociocultural order polarity to convey an understanding of changes taking place in public service processes in the 1970s and 1980s. In his book *Economic rationalism in Canberra* (1991), Pusey argues that senior ranks of the Commonwealth Public Service have undergone a fundamental shift in what he terms *political administrative discourse*. He represents the shift diagrammatically as movement along two axes, one being economic - sociocultural order, and the other being communicatively co-ordinated - systematically co-ordinated action (*ibid*, 170).

We do not wish to comment on the internal processes of the national bureaucracy, but rather to look broadly at government decision making relating to policy and planning. In doing so, we suggest that a fundamental issue is whether government decides on an active or a passive approach to achieving its objectives. We have therefore adapted Pusey's approach to yield a two dimensional model of government decision making, where one axis represents economic order/sociocultural order and the other represents an interventionist/non-interventionist dichotomy.

The national strategy

We consider *A bridge to the future: Australia's national strategy for vocational education and training 1998-2003* (Australian National Training Authority [ANTA] 1998) in the context of the model (figure 2).

Figure 2 A model of government decision making for vocational education and training policy and planning



The strategy appears to maintain a tradition in the sector of clearly enunciated commitment to both economic order and sociocultural order. For instance, Objective 3, *achieving equitable outcomes in vocational education and training*, is concerned with sociocultural order:

People with these needs [English language, literacy or numeracy skills] are most vulnerable to economic change, finding it particularly difficult to develop new skills and change their occupation and industry as the economy restructures (*ibid*, 14)...The potential for education and training to improve people's life chances, and to give them security and satisfaction both in work and in life, has consequences for society as well as, importantly, for the individual (*ibid*, 15).

Other sections are unequivocally concerned with economic order:

people develop the specific skills needed by enterprises and industries (*ibid*, 5),...development and enhancement of the national skills pool [*italics as in the original*] (*ibid*, 13).

At an operational level there is increased reliance on markets. User choice policy and training packages locate fundamental education planning decisions with employers as purchasers in the training market, with a reduced role for education providers (registered training organisations) and possibly, trainees themselves. At a strategic level however, *A bridge to the future* is interventionist. It seeks to influence the behaviour of individuals, businesses and education providers by a mixture of persuasion, inducement and regulation (table 1).

Table 1 Examples showing the multi-pronged approach of the national strategy

	Persuasive Arguments	Inducements	Regulation
Individuals	Poorer employment prospects without post-school qualifications.	Potential to gain a national qualification at any level. Multiple pathways. Access for all Australians.	Training agreements under New Apprenticeships.
Businesses	Value placed on VET by employers generally. A system better able to serve employer needs.	Funding support for development of Training Packages, their use as a tool in recruitment and other management decision making. User choice.	As above. Potential Registered Training Organisation (RTO) status.
Providers	The importance of marketing of provider services and VET's value to clients.	Competitive tendering. Incentives to address equity. Professional development to support changes in roles of staff.	RTO status. Investigation and reporting.

Furthermore, the strategy proposes to monitor its level of success through a series of key performance measures.

Like other ANTA policies, strategies etc before it, *A bridge to the future* is the product of federal, state and territory governments acting corporately. In spite of governments not being of the same political persuasion, there has been sufficient commonality in outlook and objectives to allow a comprehensive policy and planning framework to be agreed upon. Indeed, a strongly interventionist approach, we suggest, would be impossible in the absence of a high level of agreement. The federalist nature of ANTA, too, has meant that there has always been some government representation with a relatively strong commitment to intervention in pursuit of sociocultural objectives.

It would probably be a mistake to assume that it is solely the structure of ANTA that has allowed the national strategy to come about. A voluntary, federalist and less structured approach was entrenched in decision making for vocational education and training before ANTA's establishment. ANTA built on established practice. Though employers on the ANTA board and other boards and committees in the sector now constitute the dominant government recognised voice, other groups, such as unions and training providers, are not excluded. Moreover, the strategy is a distillation of ideas, values, goals, findings and experiences that predate ANTA, and that have been communicated by many people across the country over a long period. For public sector vocational education and training have constituted a nationally collaborative activity for at least two decades, in spite of being a state rather than national responsibility. The national strategy's genesis has been in interested sections of the Australian community.

Nowhere else do we see such a comprehensive policy and planning framework having the backing of the Commonwealth and state/territory governments. We contend that the vocational education and training sector's situation in this country is unique within the economic/industrial/labour market sphere, and even in the social sphere.

To see anything even vaguely like it we must look to the health sector. Here too, legislative responsibility for service delivery is with the states but complex funding arrangements with the Commonwealth necessitate a process of compromise. Even so, decision making and structures for health policy and planning do not have the corporatist character of ANTA.

The broader framework of decision making

Those portfolio areas that most interact with vocational education and training, other than the rest of education, are economic ones - finance, employment, industry with the associated area of research and development, and trade. We shall consider them only in relation to the Federal Government. Given that other governments make decisions aimed at advantaging their regions, a more thorough examination would need to consider them too. And, of course, they also seek to influence federal decision making. However, given that their influence is minimal in those areas compared to that in vocational education and training, we ignore them in this paper.

At a federal level, at least, though there is preparedness to intervene in certain circumstances, decision making is predominantly about market solutions, with minimum intervention by government - a small circle in the upper left and a much bigger one in the lower left of the model depicted in figure 2. Lombard (1998), writing on the Australian economy, states:

There has been an underlying belief in the power of market forces alone to deliver low unemployment. This adherence to new classical thinking in economics has led the [federal] government to gradually reduce its role in the economy, by embracing the concept of fiscal restraint as a panacea for [ie. as constituting] good economic management.

Similarly, current government policy declares:

(O)ur aim [is] to liberate the capacities of private enterprise within the context of a strategic but limited role for government (Liberal and National Party Coalition 1998a, 3).

In the area of finance, the decision to deregulate predated the present Coalition Government. However, one other decision that we note to be of significance for vocational education and training was the setting up of *Invest Australia* in 1997. It is charged with responsibility for attracting investors globally to Australian industry, with intended benefits to include increased employment.

Other than for the public sector, decisions aimed at strengthening the economy have been expected to deliver employment growth. Employment creation has not been a priority. The (then) Industry Commission (1997, 18) expressed the argument against specific job creation programs:

(B)usiness programs are mainly about increasing activity in selected areas by redistributing resources from other activities. Hence, increased job opportunities induced by special assistance from government will often be at the expense of jobs elsewhere...[Specific measures carry] the risk of 'horse trading' over the level of assistance and can lead to considerable inequities. There is also the risk of transitional assistance schemes becoming permanent.

For the duration of the Coalition's first term, it appeared that no firm decisions regarding industry policy were being made. This probably reflected a tension between ideology and practicalities. Jones (1998), in his assessment of the Mortimer Report, *Going for growth*, states:

One has to start with the realisation that the balance of political and ideological forces is hostile to effective industry policy in this country...Governments will inevitably develop industry policies and the issue is the degree of strategic consciousness and coherence that is brought to bear on the process...The Report supports uncritically the dominant orthodox policy agenda, both at the macroeconomic level (structural budget surpluses) and the structural level (deregulation).

It seems that the various views expressed during the preparation of the Mortimer Report, and in response to it, have led to a decision to provide some support on a sectoral basis. Coalition policy now identifies certain sectors as *key industries* with continuation or introduction of various forms of special assistance (book printing, shipbuilding, information technology, pharmaceutical, automotive, and textile clothing and footwear) (see Liberal and National Party Coalition 1998b, 10-14). While the primary focus of decision making for these sectors is on stronger industries, it is also about employment.

In the area of industry research and development, the Coalition sees the issue of industry capacity for innovation as highly important. This has resulted in the establishment of the Prime Minister's Science, Engineering and Innovation Council as the principal source of advice on issues in science, engineering and technology, and relevant aspects of education and training, in accordance with a recommendation in *Priority matters* (Stocker 1997). Furthermore, the policy statement on science notes (Liberal and National Party Coalition 1998c, 8-9):

There is a strong linkage between advances in living standards and the ability of the economy to harness advances in knowledge. The extent to which this occurs in Australia is governed by our *national system of innovation* [emphasis as in the original]. This encompasses the linkages between individual firms, research and education institutions, government support mechanisms and industry...The level and quality of our investments in research and education and the effectiveness of our institutions for developing, transferring and applying knowledge will become increasingly vital for sustained economic growth.

But the only references to specific educational provision are to industry linked postgraduate training in universities, and to undergraduate and postgraduate courses experiencing changing demand.

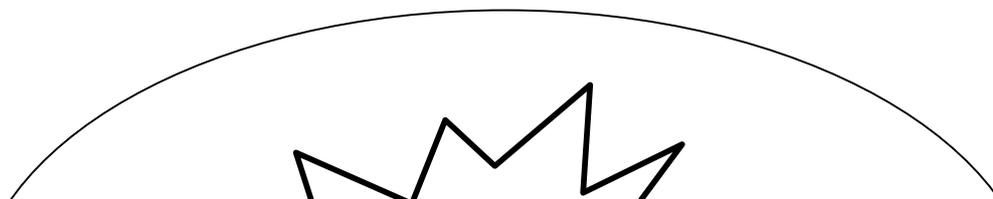
In the pursuit of international markets for Australian products, federal and state governments have chosen to provide significant assistance in the form of trade promotion. But decision making in this area is the domain of a multiplicity of national governments, international agencies, authorities etc. The Department of Foreign Affairs and Trade (1998, 4) warns:

The international trade agenda will become more complex as domestic regulatory regimes and rules affecting investment move to the top of the list, and as pressures rise to include issues such as labour standards, the environment and competition policy.

The issue of greenhouse gasses is a recent example of where international decisions (what ever they are) directly affect Australian industry and, as a result, the nature and level of demand for skills.

We suggest that vocational education and training in Australia are underpinned, nationally, by a clearly defined complex of objectives and interventionist strategies of Australian governments. These link to a less cohesive and more market dependent assortment of strategies for the Australian economy as a whole. What is more, both sets of strategies relate to developments globally, not just nationally (figure 3).

Figure 3 The context of vocational education and training strategy in Australia





Research implications

What can we deduce from this brief overview of areas of policy adjacent to, and comparable to VET? Are there questions that research can help to answer?

One thing seems to be that governments of all persuasions accept vocational education and training as important tools, for achieving an enduringly strong economy on the one hand, and for bringing about a cohesive society that shares equitably in it, on the other.

But while all state/territory governments back the national strategy are they pursuing it with equal commitment, or are there differences?

While we find no evidence of major contradictions between *A bridge to the future* and other policy and planning, are there ambiguities that arise in interpreting policy? It would be reasonable for business leaders to interpret current economic policy as promoting an economy where labour is contracted for brief periods in accordance with short term economic goals. Employment based training has no place in these circumstances. Yet *A bridge to the future* places a high priority on employer funded work based learning. And what are the implications for enterprise customisation of competencies, where government provides funding assistance for training? Again, general economic policy might suggest that the interests of the learner are not a concern. But the national strategy implies that they are.

Where a government chooses to target an industry or region for development, are vocational education and training and/or the national strategy factored into decision making? What of compatibilities and tensions?

In an environment where government can be expected to be ideologically disinclined to target employment generating industries for assistance, is the nomination of the key industries affecting programming decisions of VET providers or their relationships with local businesses in those sectors? What are the labour market and vocational education and training implications regionally?

Has government established a view that innovation is solely the province of professionals? What are the contributions that those with qualifications at AQF levels 1-6 can make, and how might those contributions be facilitated through vocational education and training? Are they reflected in training packages? Should government review its position?

Are the skills of Australian workers a selling point for potential overseas investors in the experience of *Invest Australia*? Why or why not? What are the implications for vocational education and training?

Conclusion

Our analysis has employed a sketchy and essentially national perspective in comparing government decision making for vocational education and training with that for related economic portfolio areas. We have contended that the coming together of national and state/territory governments in agreeing to the national strategy is unique to the sector.

A more thorough examination of the policy context may raise many more questions of significance for vocational education and training in this country.

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