

Globalisation, training packages and private providers: emerging tensions in national VET policy

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Abstract:

As globalisation erodes the traditional powers of nation-states, governments have increasingly relied on education and training to bolster national comparative economic advantage. In Australia, governments have sought to enhance the productivity and international competitiveness of domestic enterprises by, *inter alia*, developing an industry-driven training system and national market for vocational education and training (VET), most recently via the creation of the National Training Framework (NTF) and standardised Training Packages. Through an examination of research on the impact of Training Packages and the NTF on private fee-for-service providers, this paper explores emerging tensions between the conflicting forces and trajectories of globalisation and national VET policy. Such tensions raise questions about the logic and sustainability of national VET policy in the face of globalisation.

Introduction

Training Packages were phased in from 1997, as part of the National Training Framework (NTF), to strengthen the industry-responsive and demand-driven nature of vocational education and training (VET) in Australia. Emptied of curriculum content and comprising sets of industry-determined competency standards and qualifications, and guidelines for workplace assessment, Training Packages were conceived as a means to ensure a more exact fit between training outcomes and the skill requirements of Australian enterprises, and increase the scope for client (mainly employer) choice and program customisation in the context of New Apprenticeships and User Choice.

The creation of a national suite of Training Packages to cover all industries and occupations in Australia also aimed to curtail the proliferation of VET courses accredited by the eight State/Territory VET authorities during the early 1990s. The resulting plethora of VET qualifications – the structure, content, outcomes and nomenclature of which varied markedly within industry sectors – had undermined the original goal of creating a nationally consistent framework of portable VET qualifications to enhance labour market efficiency and workforce flexibility. Employers found the vast array of VET qualifications to be complex, confusing and difficult to understand (Hawke and McDonald 1996). Thus, nationally standardised Training Packages and qualifications nomenclature were also a means to ‘promote greater simplicity, consistency and portability of VET qualifications’ (ANTA 1999b).

From the outset, the Australian Council for Private Education and Training (ACPET) raised concerns about the negative implications of Training Packages for private fee-for-service providers (PFFSPs). Such concerns were encapsulated in the slogan that Training Packages represented a ‘one-size-fits-all’ approach to VET provision, which would eliminate PFFSPs’ distinctive courses and niche markets, particularly in export markets, due to unprecedented restrictions on their capacity to innovate and respond in a rapid and flexible manner to changing client demand. Clive Graham (1997, p.67), the then national chair of ACPET, argued the case as follows:

What appears to be emerging in policy is the abrogation of free trade for private providers who only enrol full-fee-paying students and the adoption of mandatory compliance with regulated training packages and a number of additional restrictions on trade in order to be eligible to award a national qualification. If such policy were to be implemented, Australia's education and training export provision will suffer ... and the diversity of vocational education and training provision will be restricted to a one-size-fits-all provision at the very time Australia needs to innovate in order to develop new markets and to compete globally. The inherent restriction of trade in emerging policy lies in the nexus between registration/accreditation on the one hand and (the) Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) listing on the other hand, because without national registration and accreditation for the CRICOS listing it is not possible to export education and training.

To clarify, PFFSPs must be listed on the CRICOS in order to enrol overseas students in their on-shore programs. But from 1997 onwards, they were required by the NTF to deliver only Training Package-based qualifications with prescribed outcomes and nomenclature, in place of their own distinctive courses. The only exceptions to this rule were courses that had previously been accredited by State governments. Here it should also be noted that the bulk of education and training provided by PFFSPs, especially VET exporters, is funded by private (mostly individual) clients and occurs outside the 'national training market', as defined by government. In effect, PFFSPs are delivering training in global markets *without* government *funding*, but by virtue of the nexus between the NTF and CRICOS, they are forced to operate *within* the framework of national government *regulation*. This Catch-22 situation is the major source of the problems that PFFSPs identified in relation to Training Packages.

In response to ACPET concerns, the Australian National Training Authority (ANTA) commissioned a national research project in 1999-2000 to investigate the impact of Training Packages and related elements of the NTF on PFFSPs, particularly those competing in export markets (Anderson 2000). In 1999-2000, overseas students contributed \$3.422 million to Australia's balance of payments, accounting for over 12% of the nation's total service credits, placing education and training as the third highest service export at that time (ABS 2001, p.34). In 1999, vocational education accounted for 18% of all overseas students in Australia (AEI n.d., table 5), an estimated 76% of whom were enrolled in private sector courses (Anderson 2000).

The impact of Training Packages and their commercial implications for PFFSPs are significant and worthy of discussion in light of the research findings of the ANTA-commissioned report. However, this paper focuses on a set of related, though higher order, issues that emerged from this research. As suggested by the above quote, the introduction of Training Packages represents an instance when the centrifugal force of globalisation *vis a vis* nation-states, like Australia, came into conflict with the centripetal force of nationalisation – understood here as the action of rendering national in character, for example by integrating or harmonising two or more internal markets or economies within a defined, national, territorial border) – itself a response to globalisation. Centrifugal and centripetal forces are contradictory tendencies in, and effects of, globalisation and nationalisation respectively. Globalisation tends to stimulate trans-national market integration and product diversification – manifested in

VET in terms of the emergence of global export markets and the increasing diversification of market segments, clients and products and services therein. Such processes are facilitated by international flows of capital, people, information and culture, and underpinned by market deregulation and the spread of free trade agreements. Conversely, nationalisation tends towards intra-national market integration and product standardisation – manifested in VET in Australia as pressures to standardise competencies and qualifications, ensure mutual recognition of standards and qualifications, and harmonise State-based market regulations within nationally consistent frameworks. Such processes are driven by internal political forces, motivated primarily by economic concerns, and pursued by government via legislative, policy and regulatory mechanisms. Globalisation is an outward-moving or decentralising force tending towards fragmentation and increased heterogeneity – in this case of national markets and courses/qualifications. Nationalisation is an inward-moving or centralising force tending towards greater unification and homogenisation – in this case of State-based VET markets and qualifications in Australia.

The above characterisations and juxtaposition of globalisation and nationalisation are somewhat overdrawn, and would be criticised by some theorists for being too dichotomous and overly reductionist. But they are not presented here as binary opposites, rather as mutually constitutive and dialectical processes. As King (2003, p.2) notes, ‘nation states, including through forms of global, national and supranational (the EU, for example) rulemaking, are both involved in encouraging modes of globalization and in its regulation.’ Globalisation is in part fuelled by (Australian and other) neoliberal governments’ commitments to marketisation, deregulation (of trade, financial systems and labour markets) and economic competition, whilst nationalisation is a governmental response to the threats and opportunities posed by the new global economy – which in turn reconstitutes the conditions for globalisation. As Dudley (1998 in Porter and Vidovich 2000, p.451) argues, the discourses of globalisation and neoliberalism are two sides of the same coin: ‘Globalization is a discursively constructed master discourse of uncontrollable global market forces which valorizes the ... rationality of neoclassical economics and the minimalist politics of neoliberalism.’ Moreover, each can trigger centrifugal and centripetal forces simultaneously: ‘globalisation has (a) dual quality in its combined centrifugal and centripetal forces. Centrifugal forces involve the breaking up of large ... conglomerates into smaller components, while centripetal forces operate on disparate ... units, bringing them together.’ (Porter and Vidovich 2000, p.452)

Yet they do contrast in significant ways. On balance, globalisation is an offensive and relatively autonomous process underpinned and propelled by the coagulation and complex interaction of trans-national forces emanating from myriad sources at regional, national and local levels. In contrast, nationalisation is a reactive and partially defensive strategy engineered by individual governments within defined territorial borders, albeit to position national industries and economies to compete more effectively in global markets. In his reflections on the commercialisation of higher education, King (2003, pp.3-4) suggests that ‘Provisionally, it would appear that global competition reduces or severely modifies market regulation (that is, it opens up markets to wider competitive forces), but, at the same time, it may also lead to new regulatory regimes – for customer protection, for example.’ This also suggests that globalisation can generate its own centripetal forces. The issue this paper opens up is

the way in which Training Packages reflect and illuminate the emerging and contradictory tendencies of globalisation and nationalisation in the context of VET.

To this end, the paper first examines the impact of globalisation on nation-states and the national VET policy response in Australia. The nature and dynamics of private VET markets, and the impact of Training Packages and the NTF on PFFSPs, are then analysed in the light of data from three semi-structured interviews with a total of 26 PFFSPs – mostly independent commercial colleges in Sydney, Melbourne, and Brisbane. Conducted in early 2000 as part of the aforementioned research project, each interview was of two hours duration. All interviewees were delivering VET courses (e.g. audio-visual and multimedia, business services, hospitality, information technology, personal services) in export markets, and derived most, if not all, of their income from overseas students in Australia (Anderson 2000). The conclusion draws on this analysis to explore the implications of globalisation for national VET policy.

Globalisation and nation-states

The nature and effects of globalisation are complex and subject to ongoing debate. Suffice for the purposes of this paper, Green (1999, p.57) defines ‘globalisation’ as:

... the accelerated international flow of goods, capital, labour, services and information which have occurred in response to improved transport, the seemingly limitless revolution in communications technologies, and the deregulatory policies adopted in many countries during the past two decades ... This process has greatly intensified global economic competition, particularly between the advanced regions, both in the race to create conditions which attract foreign investment and in the struggle to improve productivity and market competitiveness in home-based industries and services.

As Green (1999, p.57) also notes, the accompanying shift to knowledge-intensive, high-value-added production and services ‘implies an ever greater emphasis on information-rich, high quality production and services where the premium is on rapid change and innovation.’ Such themes arise throughout this paper.

Globalisation, facilitated by pervasive neoliberalism, is eroding and transforming the powers of the traditional nation-state in significant ways (Strange 1996, Kiely 2005). With the decline in both the ideological inclination and political capacity to protect national economies from international competition through trade and financial controls, globalisation signals ‘the end of the national market as the primary theatre of economic activity’ (Marginson 1999, p.25). In an era when economic power and financial control have been increasingly assumed by global capital interests, education and training is one of the few domains in which national governments are still able to exert a relatively strong influence. Green (1999, p.56) notes that ‘As governments lose control over various levers on their national economies ... they frequently turn to education and training as two areas where they do still maintain control.’

In pursuit of national policy goals through education and training, most governments have rejected traditional fiscal mechanisms and ownership and control of public sector production, instead adopting the neoliberal ideology of free markets, small government and public (a euphemism for private) choice. The use of new public management

techniques and the construction of managed or quasi-markets for VET are among the means by which Australian government has redefined its role in the globalising economy and sought to improve productive efficiency and national economic competitiveness (Anderson 2006; Anderson et al 2004).

National VET policy

The spectre and discourse of globalisation have figured prominently in national VET policy statements since the early 1990s, and increasingly so in recent times. Among the ‘major forces for change’, as identified in the *National VET Strategy 1998-2003* (ANTA 1998, p.1), ‘one stands out as being especially significant. Globalisation, underpinned by a technological revolution which has hastened its pace, will continue to transform the way we work and live.’ Confronted by the manifold ‘forces of globalisation’, particularly ‘intensified international competition’, the national vision articulated for VET was ‘To ensure that the skills of the Australian labour force are sufficient to support internationally competitive commerce and industry ...’ (preface). This vision was based on the recognition that VET is ‘a key instrument in maintaining and improving both enterprise and national competitiveness.’ (p.3) Just as in recent higher education policy in the UK and Australia, so it is in VET: ‘The rationale for reform lies in the necessity to maintain and to enhance national comparative advantage in an increasingly competitive world.’ (King 2003, p.1)

The central objective of national VET policy since the late 1980s has been to serve the needs and interests of industry via the creation of a national, industry-driven VET system. This has involved, *inter alia*, the introduction of competency-based training, alignment of VET qualifications to national, industry-determined competency standards, and establishment of Industry Training Advisory Bodies (ITABs) – recently replaced by Industry Skills Councils – to provide advice on national and State skill needs. The construction of a national training market during the 1990s – entailing the registration of private providers and use of market mechanisms for resource allocation – complemented these initiatives by increasing client choice, provider diversity, and competition among public and private providers for public funds. VET providers were also encouraged to generate more revenue from industry and individual fee-paying clients, including overseas students, although the latter group has been extraneous to the focus and goals of national VET reform (Anderson 2006).

After its election in 1996, the federal Coalition government accelerated the pace of neoliberal reform in VET through the development of ‘a more open and competitive training market which is client driven and responsive to the needs of business and industry.’ (Kemp 1997) Reflecting the federal Coalition’s ideological commitment to small government and free markets, the then federal VET minister outlined the key policy objectives behind his proposals to reform the national training market:

We want to see less regulation. We still need an appropriate regulatory framework ... to ensure quality, relevance and flexibility so that employers and trainees can be confident about what they are getting and that they’re getting what they require. We want quality assurance in the training market in a free enterprise economy with a highly mobile labour force. We need a national framework for the provision of training so that qualifications are portable throughout Australia and across industries. (Kemp 1997)

Following the 1993 Hilmer report and National Competition Policy, major emphasis was given to developing a ‘borderless vocational education and training system’ (ANTA 1998, p.14) *within* Australia – a single, nationally integrated, training market to better meet the needs of domestic enterprises, especially those operating across State borders. Yet notable for its absence in VET policy statements is any recognition of the export markets in which both private and public VET providers are also competing. In effect, the VET policy lens has been, and remains, exclusively focused on the development of a *national* training market to enhance the competitiveness of *Australian* business and industry (but excluding the VET industry) in global markets.

Inherent in the national VET policy agenda outlined above are significant tensions. The federal Coalition government’s ideological commitment to free markets, private enterprise and small government sits uneasily beside its national policy objective of developing a VET system that serves the needs and interests of Australian industry and enterprises via government intervention and market regulation. This apparent contradiction did not elude the attention of Graham (1997, pp.68, 71):

(I)t is odd indeed that a national Coalition government has not iterated the freedom to trade in education and training policy. ... At a time when governments ... urge increased flexibility, innovation and market responsiveness to private enterprise, why is the education and training sector becoming so restrictive? Given that education and training comprises Australia’s second highest service export, why does government policy not focus on the global potential as well as the national employment strategy?

As this suggests, the singular emphasis on developing a national training market to serve the needs of domestic business and industry overlooks the growing economic significance of global markets and the emergence of a lucrative VET export industry servicing overseas students and other fee-paying clients. Similarly, the priority placed on enhancing the *national* portability of VET qualifications ignores the growing need for *international* portability when Australian industry and employees are increasingly required to cross national borders in pursuit of greater profit and employment. The next section will explore these issues and tensions through the eyes of PFFSPs.

Nature and dynamics of private VET markets

Interviewees drew attention to the global scale of the VET markets in which Australian PFFSPs now operate. In contrast to government policy, PFFSPs view the concept of a national training market as obsolete in an era when globalisation is eroding national borders in economic, technological, and socio-cultural terms:

IP4: ... *it’s artificial now to try and identify what constitutes a **domestic** market, a State market, or a national market. Anyone who does that is condemning the students who are being trained to a redundant activity because the whole nature of industry right across the board is one that is globally driven. ... Therefore the notion ... of an Australian training market is one which is a retrospective concept. It might have been relevant ten years ago, fifteen, twenty years ago but increasingly it will become irrelevant.*

The assumption that VET markets can be conceived and managed as a single and integrated (national) entity, as envisaged by government, was explicitly rejected:

IP5: *Since all our students are from overseas, we're dealing with a range of markets, a range of countries, and also a range of factors why they come here.*

IP1: *... the private sector market consists of full-fee paying domestic students, employer-sponsored students, students who are using it as a pathway to get to university, not necessarily for employment. You have people who are in employment who are using it as ... a stepping stone onto improving their employment status. So in the term 'global', I would say you've got about ten different types of students in about ten different types of markets. Some of them are publicly funded but a vast majority are **privately** funded.*

Unlike most registered training organisations (RTOs), PFFSPs are fully commercial entities that trade in education and training services and compete for private fee-paying clients in domestic and export markets. Graham (1997, pp.66, 71) explains that 'The dynamics of the private provider sector are founded on the spirit of the free market. ... (I)nnovation, market responsiveness and diversity ... collectively comprise the dynamics of the private provider sector.' As will be seen, such dynamics are reflected in interviewees' comments and confirm that, in the context of global VET markets, PFFSPs require the capacity to innovate, differentiate their products, and respond rapidly and flexibly to the changing preferences of fee-paying clients.

Unlike Training Packages, which are designed for the mass domestic market of publicly-funded trainees seeking access to employment, mostly at entry level, PFFSPs develop specialised courses for niche marketing to privately-funded customers who are seeking a competitive edge in labour and/or higher education markets through the acquisition of a distinctive qualification. According to PFFSPs, the main objective of overseas students in on-shore markets is to gain maximum credits towards a degree-level qualification at an Australian university. Such client preferences are in turn reflected in the product range and market behaviour of PFFSPs:

IP1: *... what our customers seek is differentiation and individualism ... it's actually uniqueness. ... It's a question of trying to offer ... the students something that ... would give them a market edge.*

In effect, the commercial viability of PFFSPs rests primarily on their ability to offer 'a *distinguishing product*' – courses that are qualitatively different from those of their competitors, both local and international. PFFSPs differentiate their products by offering (often highly) specialised course content, credit transfer arrangements with Australian universities, and 'quality add-ons' – such as additional industry certification (e.g. First Aid, information technology); customised learning resources; and student services (e.g. pastoral care, cultural activities, accommodation assistance). Freedom to use distinctive qualification titles was identified as imperative, given the need to differentiate their offerings in the crowded and competitive global VET marketplace, and to 'create an impression straight off'. As one informant contended, 'if it's **not** reflected in the name, why **have** a distinguishing feature?'

In the wake of globalisation, PFFSPs operating in export VET markets are subject to rapid and unpredictable change, which exposes them to considerable instability and

risk. Given the constant pressure to innovate and adapt to shifts in client demand, interviewees stressed their need for maximum flexibility and responsiveness:

IP5: ... *we have to be far more competitive now and we have to move much more quickly to keep our courses going.*

IP2: ... *the important factor **there** is that the **education** market is a highly competitive sector. ... And what all of the education institutions, not just the private providers, must realise is that those courses that haven't moved with the times, that are non-adaptable and can't be responsive to both industry and student requirements, are simply being bypassed. And from an economic point of view, the viability of our organisation hinges directly on the currency of our understanding of the training market we're moving into.*

Responding to the constantly changing skill demands in technology-based industries requires providers to monitor global industry trends on an ongoing basis. As one provider of information technology (IT) training stated:

IP3: *One of the other issues in the area we're involved in is the ever changing competency requirements from industry, and the speed at which we've got to change the product to suit the industry market, and ours is a global one.*

The implications of globalisation are equally significant for PFFSPs delivering training in human services, as they require the flexibility to respond to the increasingly diverse and often highly specific, socio-cultural needs and preferences of clients (as both learners and workers) from various countries of origin:

IP7: *The thing about our industry ... is that it's also the public perception of what they want from that service and that creates a different need and **that** can be cultural. That perhaps ... the public perception of a beauty therapist or a masseuse in different countries is different. So when we have students who come from overseas, it's not technology driven necessarily. It's what they need to provide for their clients when they're qualified. So it's important that we keep the content of our courses flexible to meet cultural needs as well.*

As reflected in the foregoing quotes, PFFSP provision is driven by a complex and fluid amalgam of employment trends shaped by technological and workplace change, and clients' career and further study aspirations and socio-cultural preferences.

Training Packages and their impact on private fee-for-service providers

The incipient tensions between the centrifugal force of globalisation and the centripetal force of nationalisation are manifold. The root cause of such tensions lies in the aforementioned contradictory tendencies of globalisation and nationalisation – with the former promoting heterogeneity via product differentiation and market deregulation, and the latter pursuing homogeneity via product standardisation and market regulation. As suggested earlier, the introduction of Training Packages represents a moment when these tendencies were juxtaposed, entrapping PFFSPs within their conflicting logics and trajectories.

Interviewees argued that the concept of Training Packages is premised on the artificial notion of a ‘national training market’, which ignores globalisation and its implications for Australian industry, including export education. In the latter regard, interviewees said that Training Packages encroach on their niche markets, overlook the multiple markets in which they operate, and distort the dynamics of private VET markets. As such, Training Packages are viewed as an unwarranted intervention by government with adverse economic consequences for PFFSPs and the national economy:

IP2: ... *the fact that the Training Packages are locked into a concept of the Australian training market that sees Australia as somehow being this self-contained ... and protected environment is anachronous.*

IP1: ... *if one does not understand the dynamic of private enterprise, the ability to create markets as well as to respond to them ..., if one doesn't understand that ... then we have **no hope!***

For PFFSPs, the centripetal tendencies of the managed or quasi-market constructed and regulated by government contradict its own neoliberal rhetoric of free markets, user choice and competition, and stifle the dynamics of private VET markets:

IP2: ... *if the government is going to adopt a Big Brother attitude of wanting to control, manipulate and define what the training market is all about in order to make decisions on our behalf, then they have to do that out there in the market place. It can't be done second, third and fourth hand by bureaucrats sitting behind a table reading a report that's, you know, twelve months or two years or three years old.*

IP5: *I mean we're supposed to be customer driven. We're not customer-driven at the moment, we're government driven. We're not client driven you know, that's been taken away from us.*

In their view, Training Packages reflect the impulse of national government to rationalise, regularise and control the divergent and unstable forces of globalisation:

IP1: ... *by going to Training Packages ... all that's happening is that ... the government is saying 'We need to find a way to standardise all of this'.*

IP2: *What we're saying is the government **doesn't** know best because they are not out there in industry. They are ... bureaucrats trying to interpret a whole lot of information that is becoming more and more complex, culturally richer, that's becoming driven by a global economy. ... And if you **really** mean to tell me that a project officer in an ITAB working on government money has the where-with-all to make a forward projection in the TV and video industry, I will **laugh** at you!*

Despite some scope for customising Training Packages to enterprise-specific needs within strict limits (ANTA 1999a), PFFSPs were highly critical of their generally inflexible structure and content, which they argued would markedly reduce their responsiveness to the challenges of globalisation and related processes, including:

- rapid technological change, which cannot be predicted or incorporated in rigidly designed and bureaucratically-developed Training Packages:

IP4: *There's (an) argument too for our ability to modify and be flexible and that is, I've been involved in a (IT) Training Package and we're already recognising that it is probably out of date. ... The components have been written and already the technology has moved ahead to such an extent that it is out of date. And the time it will take to re-look at that, rewrite it and ... get it reaccredited, time will have moved on. So the big problem is the loss of flexibility.*

- changing work organisation and practices, which are overlooked by outmoded, nationally specific, industry classifications and bygone job demarcations:

IP1: *... the whole process the government has gone through in locking down the standards development into a mandatory set of Training Packages is a retrospective view of the Australian economy. ... (W)hat is required is a flexible system that has a workable and flexible quality assurance option that allows us to differentiate between ourselves, that still has standards ... that allows us to look to the future and develop the courses today for the outcomes the students need tomorrow. Because the reality is the jobs we had ... that informed the development of the Training Packages are not the jobs of tomorrow. ... (W)hat the students need is ... courses that are recognised research and development-driven courses, not these redundant, backward looking processes that are locked into some sort of fixed pieces of paper.*

- different languages, cultures and workplace requirements that prevail in the home countries of overseas students, which are neither recognised nor accommodated in competency standards referenced to Australian workplace contexts:

IP5: *Now part of the problem with Training Packages is that they're (designed) to Australian standards, and the Americans and Brits are saying (to overseas students), 'Don't go to Australia, all you'll learn are vocational programs to **Australian** standards, you know, those ... little people down south.'*

IP6: *... what we're forced to market is basically an Australian product ... And the thing about this is we're selling it to students that are coming from **many** countries, Thailand, Indonesia, Japan and whatever. Now the difficulty that we have is that we can't. It is an Australian product that we can't tailor-make to students coming from those areas. And ... part of the marketing needs to be the ability to alter the components of the Training Package for particular areas. ... It can be as simple that in some countries they don't use certain software ... and you have to concentrate on that software (i.e. under Training Package rules).*

- the skill requirements of Australian graduates in global labour markets and the increasing international mobility of domestic VET students, which are ignored in Training Packages designed for the domestic labour and training markets:

IP3: *I'd actually question whether in a global market we're actually being ... relevant to Australian students. ... I would've thought we were preparing Australian students for a global economy, not just for the Australian economy.*

IP2: *You see when you talk about the notion of the differentiation between the domestic and the overseas market, even our domestic students are international students. ... So we've got students ... that do two years with us and they're off to (the UK) complete their qualification and seek employment).*

In summary, national Training Packages have encroached on PFFSPs' niche markets and restricted their scope for: rapid innovation and flexible specialisation; product differentiation via quality add-ons and distinctive qualifications nomenclature; responsiveness to technological and workplace change; and adaptation to the diverse socio-cultural values and preferences and linguistic backgrounds of overseas students, and the new and emerging needs of domestic students in a global marketplace. In the above key respects, therefore, Training Packages are distorting the dynamics of private VET provision, and compromising PFFSPs' competitiveness and commercial viability not only in export, but also domestic, markets. Caught in the nexus between NTF and CRICOS regulations, PFFSPs are being forced to compete in global markets with a standardised product tailor-made for existing Australian labour and training markets, and introduced to serve domestic political and economic interests:

*IP1: We have no problem with the government attending to its business responsibilities, in efficiently running its own sector. What is very galling, and very difficult to come to terms with, is when a series of public servants **presume** to make mandatory, across-the-board decisions for whole sectors of business. And private providers are running a business. They are providing a service to clients who pay for it. And the only way as a market sector we can be viable, is if the competition between ourselves is on a **business** basis. And that business basis means we gain our most leverage from differentiation, not similarity. And the attitudes that are underpinning a lot of the (federal Coalition) government's decisions, not just the Training Packages but the whole regulatory framework, is to try and homogenise us so that we become the counterpoint to TAFE.*

Reflected above are the fundamentally different, and conflicting, drivers of business and government in the face of globalisation, with PFFSPs motivated by the spirit of free enterprise and the potential for profit-making in global export markets, and government intent on regulating the national market to strengthen its capacity to steer outcomes in ways that serve domestic political agenda – in this instance, the federal government's drive to extract greater efficiency from the public TAFE sector via increased competition with private RTOs. As another interviewee contended, '*the Training Packages are driven by a local **political** agenda. It has got **nothing** to do with marketing internationally whatsoever!*' By implication, these quotes also illustrate the growing tensions between the centrifugal and heterogenising tendencies of globalisation, and the centripetal and homogenising tendencies of nationalisation.

Conclusions

The opening depiction of globalisation and nationalisation and their conflicting logics and trajectories provides an illuminating conceptual framework for analysing the issues raised in this paper. Globalisation and its attenuation of national sovereignty, together with the intensification of economic competition between nation-states, have concentrated the attention of governments on strategies for harnessing education and training systems to enhance national economic performance and comparative advantage. In this instance, successive Australian governments since the 1980s have sought to increase productivity and international competitiveness through the creation of an industry-driven VET system and national training market responsive to the specific skill requirements of domestic enterprises. Pursued in response to economic globalisation, this strategy constitutes a form of national economic defensiveness in a

context where the same governments have been simultaneously shrinking the state, privatising and marketising public service provision, and deregulating trade, finance and labour markets, in line with neoliberal ideology. Paradoxically, as pointed out earlier, neoliberal governments in Australia and elsewhere are at once complicit in promoting globalisation through free trade agreements and the like, and intent on regulating its impact on their national economies.

The introduction of Training Packages, and their reception by PFFSPs, highlights the emerging tensions between globalisation and nationalisation and their centrifugal and centripetal forces. Designed to serve the needs and interests of domestic business and industry by underpinning greater national consistency, comparability and portability in VET qualifications, Training Packages represent an instance when the nationalising trajectory of government policy collided with the globalising trajectory of VET markets. Cast within a single and undifferentiated regulatory framework designed for the national training market, and developed via bureaucratic processes against non-commercial benchmarks, Training Packages comprise rigid and inflexible sets of product specifications and nomenclature that have been uniformly imposed on RTOs, regardless of the diverse markets in which they operate and the differential needs of their clients. Contrary to government claims that product standardisation will improve the quality and responsiveness of VET to individual and industry needs, PFFSPs contend that centrally devised and standardised products, such as Training Packages, are moribund in an increasingly global marketplace where: technological change is rapid, economic growth is knowledge-driven, labour markets are becoming internationalised, customer preferences are more culturally diverse, and providers must continually innovate and adapt to survive.

These criticisms by PFFSPs suggest that Training Packages are a neo-fordist technology developed by government for production and consumption in the context of a national VET market which is being superseded by, and subsumed within, global markets. From a PFFSP perspective, such markets demand post-fordist technologies, such as flexible specialisation and niche marketing, to enable them to compete effectively in increasingly diverse and segmented markets subject to intense competition, rapid change and unpredictable shifts in client demand. Driven on the one hand by the centrifugal forces of globalisation – characterised by increasing market fragmentation and heterogenisation – PFFSPs are on the other constrained by the centripetal forces of nationalisation – as manifested in government attempts to harmonise (if not unify) national market regulation and standardise VET products via the NTF and Training Packages. Entangled in the web of governmental regulation at a national level, PFFSPs' scope for constant innovation, product differentiation and rapid responsiveness has been restricted to the point where their commercial viability in global markets – and also, by implication, Australian VET service exports – has apparently been put in serious jeopardy.

Key elements of the regulatory framework pertaining to export VET markets have changed since this research was conducted. The *Education Services for Overseas Students Act* was revised in 2000, the Australian Quality Training Framework (AQTF) was introduced in 2001, and implementation of the General Agreement on Trade in Services (GATS) has advanced. Such changes alter the dynamics of, and interaction between, global markets and national VET policy in significant ways. But they do not diminish, and may accentuate, the central contention of this paper that the intersection

of globalisation and nationalisation produces profound tensions due to their conflicting logics and trajectories, as evidenced by Training Packages. Indeed, ACPET (2003, p.9) states that: ‘These issues have not changed over the past three years however they have been further exacerbated by the introduction of the AQTF’.

Regardless of the actual outcomes of the tensions manifested by Training Packages, and despite changes in the regulatory framework, this research raises questions about the logic and sustainability of national VET policy arrangements. In the context of globalising markets, increasing international competition, the continuing spread of free trade agreements and the declining economic sovereignty of nation-states, will government retain sufficient political control to steer and regulate VET in the national interest? Will government be able to manage, if not reconcile, the two divergent trajectories of, and tensions between, global market integration and economic nationalism as the commercial horizons of domestic enterprises become increasingly global? If the tensions created by Training Packages do seriously compromise the profitability of PFFSPs, will they opt out of the national training market and instead ply their wares solely in the global marketplace? As one interviewee, whose PFFSP belonged to an international IT training consortium based in the USA, speculated:

*... if ‘ACME Global Training’ is an international company and it is selling its courses internationally over in America and elsewhere, why does ‘ACME Training Australia’ have to comply with a Training Package as opposed to its **international** standard? ... (It) raises questions about international and **global** recognition as opposed to simply Australian recognition.*

Such questions are likely to become more pressing and perplexing for government as Australian industry, including export VET services, becomes increasingly integrated into global markets, and more deeply implicated in globalisation processes.

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