

Developing human capability, vocations and economic renewal

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Current education and work arrangements did not cause the economic crisis. They must, however, be central to its solution.

Policies that only focus on restoring growth will merely entrench deep-seated problems. Prime among these are an ecological unsustainable growth path, deepening wage inequality, retarded productivity growth and the paradox of 'skill shortages' co-existing with 'wasted skills'.

Central to any serious economic renewal will be overcoming deep-seated fragmentation in flows of learning and labour.

Fragmented flows of learning arise from the often arbitrary distinction between university and vocational education and training (VET). Much of this occurs because insufficient recognition has been given to the depth and complexity of vocational knowledge.

Improved flows of labour require overcoming profoundly unbalanced systems of workforce development. These involve arrangements that both develop human capability and ensure its deployment on the job. The modern obsession with short run performance and work intensification leaves little time for the development of labour.

Sustainable change requires that we need to move beyond the narrow visions of work and education informing the debates on skill. Current policy is obsessed with avoiding 'rigid' demarcation based on narrow definitions of occupation. Instead it has embraced a system which atomises skills into literally thousands of units of competence.

The reality of modern working life falls well between these extremes. Few people want the narrow specialisms of the past. Fewer live their lives aggregating units of atomised competence as if each job required its own unique collection of atoms of skill.

Instead, clusters of competence, often cohering in various vocational streams appear to be more important for making sense of how people deepen their skills over time. From our research it seems these streams cover broad areas of human activity such as care work, business services, engineering, logistics, information technology and agriculture.

Just how such vocational pathways are defined and nurtured is, we argue, the central issue for getting beyond the unhelpful debates that have dominated discussion on education and work in recent decades.

Given this way of seeing it is possible to identify the crucial issues for education, work and economic renewal. Prime among these are:

- *Should the notion of human capability play the central role in shaping public policies for economic and social development?* This would mean moving a concern with education and work from playing an accommodating role to providing the reference point for the broader policy mix.

- *Is it time to move a fragmented education system in which vocational education and training is based on competencies, to one in which learning flows are organised on the basis of deepening human capability?* Adaptability as well as more interesting work and learning arise from people who can make the connections. It's time we prioritised the development of such citizens.
- *Is there a need to redefine sectors and occupations by devoting greater care to developing and nurturing a modern notion of vocation(s)?* People take pride in skill and developing the ability for independence. This is something that grows over the life cycle. Policy needs to make the orderly development of such capability easier and more coherent.
- *Is there a need to rethink the role of the public sector in vocational education?* For too long policy has been dominated by the obsession with 'marketising' VET. Coherent vocations and efficient occupational labour markets are a public good. It is time policy focused on this first order issue.
- *Should uncertain times be regarded as an asset and not liability for moving forward?* The Federal Treasury predicts we will lose 100,000 jobs in the next two years and then create 500,000 in the subsequent two. A clearer framework of vocations could guide interventions both in education and the labour market. This will ensure that in managing the impending jobs 'famine' we build the platform necessary for handling the 'jobs feast' that will eventually come.

The Australian economy is headed into a period of dramatic upheavals. We have a choice. We can have a re-run of increased unemployment followed by an extended phase of jobless growth which will eventually end with employer complaints of 'skills shortages' as the economy peaks.

Or we can engage with modern realities and do something about improving the flows of learning and labour to achieve a better outcome. We have identified the leads to follow. It remains to be seen whether the stakeholders – especially governments, employers and unions – can break with current intellectual rigidities and are really open to the 'fresh thinking'.

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