

The following paper is an abridged version of the report *Education, Work and Economic Renewal* commissioned by the Australian Education Union to broaden debate on the future of Vocational Education and Training (VET) and the role of the public sector in shaping it in the future.

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Putting the *vocational* back in VET

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The current economic situation is best understood as one of profound paradoxes. On the one hand the world economy is deteriorating rapidly and jobs growth disappearing. On the other, we are richer now than ever before. Adjusted for inflation and population growth, Australia produces over 50% more goods and services than it did just 15 years ago. The outlook for the future is equally paradoxical. Although the next two years are projected to see the loss of around 100,000 jobs, in the following two years more than 500,000 jobs are expected to be created. The issue is how to cope with a jobs famine and then be ready to benefit from a jobs feast.

How can we get beyond these paradoxes? We argue that there cannot be an effective response to the current situation without a new approach to education and work.

Our central argument is this. There is a need to nurture a new, more expansive notion of vocation within both the labour market and

the education system, and consider how market mechanisms, private actors and the public sector can most effectively cooperate. The issue is not whether we rely on “market” or “state” led strategies for growth. Rather, the key issue is whether market mechanisms and the public sector can combine to foster a more sustainable, fairer trajectory of development.

Immediate challenges: deep structural problems and the “great recession”

Australia, along with the rest of the world, finds itself in the midst of the greatest economic turmoil since the 1930s. While the immediate challenges of restoring growth are rightly receiving attention, it is vital that we do not neglect longer term problems such as global warming, social exclusion, underdevelopment of infrastructure and human capability.

This paper argues that while matters concerning education and work did not cause the deep problems confronting Australian society, initiatives in these domains are central to their solution. Five key issues stand out:

a) The employment intensity of growth.

The term “jobless recovery” emerged during the upswings in the mid 1980s and 1990s. What can be done now to avoid history repeating itself this time around?

b) The quality of jobs created. Since the 1980s there has been a casualisation of employment, extended hours of work for full-timers, insufficient hours for many part-timers and deepening wage inequality. Is now the time to do something about overcoming the deep-seated fragmentation of the Australian labour market?

c) Imbalances in the education system.

The higher education sector has languished in coordinating developments with changes in Vocational Education and Training (VET). Accessibility to learning for those who are disaffected by academic curricula still represents an impoverished option with unclear pathways, with the existence of an underclass characterised by low literacy rates and high drop-out rates at the secondary level. There is a core difference in access to

pathways, with the existence of an underclass characterised by low literacy rates and high drop-out rates at the secondary level. There is a core difference in access to vocational knowledge in VET versus higher education sectors, and this is reinforced by existing labour market structures. Surely, we can build better connections between the different parts of the system and between it and work?

d) A new approach to productivity. Australian society is now more prosperous than it has ever been. But are we a better society? Is our trajectory of economic development sustainable? Should we have more time for private lives? Can we get a better balance in how we generate and share improvements in productivity?

e) Human capability and the importance of education. Levels of educational attainment in Australia continue to rise. For many people however, formal education results in experiences of humiliation and failure leading to disengagement and alienation. How can the vision of lifelong learning become a reality? How can vocational curricula re-engage these students? Apart from boosting productivity, our interest in education is central to nurturing citizens' capability to flourish in all spheres of life. As a society, can we do better in improving levels of human capability amongst our citizens?

Understanding learning and work fragmented flows of learning and labour

There is much debate concerning the accuracy of unemployment data. However, of perhaps even greater importance is understanding the number of people affected over a longer period of time. The survey data from the last recession reveals that in 1994, the last time unemployment was at 9%, the proportion of people reporting that they had a spell of unemployment in the 12 months prior to the survey was 23%. Similarly, while at one time only 25% of people reported they were employed as casuals, just under two in five reported they had worked in jobs that were not permanent in the previous 12 months.

Clearly the key challenge is not just to reduce the unemployment rate, but to engage with structural and cyclical flows such as these. Researchers in Europe have argued that working life is best understood as comprising a series of key transitions involving education, family formation, spells outside of paid employment, and retirement. Increasing numbers of people no longer want, nor have the option to pursue, "standard" jobs at every stage of their life, and now move between these stages in non-linear ways. Our key finding is that making these transitions is very difficult. The connection between education and work often involves taking on sub-standard work.

The connection between work and family often involves working as a casual.

A key issue in negotiating the life course is time spent in developing intellectual capacities. This occurs in many ways. Two of the most significant are arrangements associated with the education system and those associated with paid employment. How do current education arrangements structure flows of learning in contemporary Australia? In answering this question it is important to distinguish the incumbent, inhibitive and institutionalised differences, and the reality of the continuum between higher education and VET. Arguably the starkest difference between the two sectors today is embodied in their learning process. Structuring VET increasingly around highly disaggregated units of competence magnifies and entrenches difference, and undermines tendencies towards convergence between these sectors.

General education provides the foundation for all higher levels of education and learning. It entails the acquisition of common knowledge, promotes skills transferability, and enables workers to engage their intellectual capacities to adapt to work-process, organisational, technological and social changes.

The risk with general education in the Australian VET sector is that it is focused on second-chance education, for example adult literacy and numeracy, as being a *minimum* of education, rather than being a standard

to which all active citizens are entitled. Having defined a basic standard, the minimum then becomes the maximum that government is prepared to fund, and VET is narrowed to "producing skills" needed for work. General and further education are reduced to enabling work performance, usually in low-skilled occupations with little prospects for career advancement. Students are denied access to education that will allow them to handle abstract knowledge and truly develop analytical capacity and other transferable skills.

The VET sector is well placed to engage with those who are alienated from academic curricula, yet may wish to acquire practically orientated education/training. Concerns with social justice enter quickly onto the agenda here. A socially inclusive system should not only provide equal educational opportunities and validate both academic and work-based skills and knowledge, but also provide pathways for those who are initially, or finally, disaffected from academic streams. Both vocational and academic pathways need to provide the basis for autonomous, self-directed agency at work and occupational progression, as well as provide the basis for students to participate in society's debates, controversies and conversations. However, this can only happen if vocational knowledge is revalorised and the depth and complexity of vocational knowledge is restored as central to vocational curriculum.

In making sense of modern working life it is essential that consideration be given to the key transitions between work on the one hand and education, family formation, unemployment and retirement on the other. How do we want to shape occupational changes in the future? Policy debate on this question has been characterised by an unhelpful dichotomy.

Against the alleged spectre of inflexible, rigidly defined occupationally based job classifications, considerable effort has been devoted to documenting all the possible competencies required in a particular realm of practice. These have been codified as "competency standards", then bundled together in various industry "training packages". But dismembering work into thousands of units of competence misses the point. It is the cluster or ensembles of capability that give people the capacity to do things — not an aggregation of discrete skills. When it comes to being competent the whole is definitely more than the sum of the parts.

How are flows of learning and labour connected? Education is about more than work. And work is about more than education. As currently structured, flows within each involve fragmentation, differentiation and inequality. Clearly education is not the primary driver of labour market inequality. Equally, market dynamics do not necessarily drive inequality either. It is institutions that ultimately determine the outcomes that prevail within the limits they set.

The higher education and VET realms of education are structured around very different notions of work. The academic model is based on the vision of the autonomous agent with a deep grasp of disciplinary knowledge, while the notion of work in VET is predicated on a highly contextualised and atomised vision of skill. There is nothing in the nature of labour flows which makes this distinction inevitable.

Guy Standing, of the ILO's International Institute for Labour Studies, argues that "a relatively skilled position is one of trust ... the centre of the technique is not complexity, but autonomy and freedom". In order to move beyond a narrow definition of competency-based skill we must first embrace the notion of occupational security, or vocation. Occupational security describes a "pride of craft", which bundles competencies, learning, refining with the application and extension of knowledge in one's work. It requires complexity in work, autonomy with responsibility, a sense of occupational discipline, and some freedom from routine. It must be supported by a flexible system of career-learning, as well as frameworks for standards, regulation and forms of income protection.

Maintaining the volume of training is critical to the prosperity of occupational labour markets. Skills shortages act as a disincentive

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train workers as the incidence of poaching increases. A potential solution is to establish the institutional framework to support greater employer engagement, such that the risk of investing in skills formation is borne by the majority of employers. This framework might involve local employer networks, grounded in sectoral and/or national level industry councils which track skills demand and supply and steer training practices.

Many existing professions exist because of the support of broad partnerships, engaging educators, workers and employers to form the core of professional organisations. Any expanded notion of vocation, traversing VET, higher education and the labour market, must similarly be supported by social partnerships, with active input from unions, educational institutions, government and employer organisations. The level of mutual trust is the key to the stability and success of any such partnership. Any attempt to grow vocational pathways cannot exist without it.

Achieving economic renewal through better flows: five issues

In our view five issues stand out as requiring closer attention if our findings are to be taken further:

- a) 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.
- b) Is it time to move beyond a fragmented education system in which VET 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.
- c) Is there a need to redefine sectors and occupations by devoting greater care to defining 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.
- d) 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.
- e) Should uncertain times be regarded as an asset and not a liability for moving forward?** 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.

Where next?

In answering the above questions we recommend that priority attention be devoted to:

- An assessment of relevant overseas experiences and debates on these matters.
- A closer look at how vocational education and lifelong learning currently operate in Australia.

- The changing nature of work, especially in light of the current downturn.
- VET funding models.

Conclusion: Vocational pathways as a vital public good in hard times and in booms

The work covered in this paper points to a key blind spot in our public debate. While the idea of coherent vocations or more loosely specified occupation is likely to have intuitive appeal, the nature of its cross-sector (professional education, VET and labour market) presence has received little attention. The identification of functional vocational streams forms one crucial element of needed reforms, but it is the nature of education and labour market structures — currently characterised by unequal and fragmented opportunity — which will determine the effectiveness of any proposed reforms. More holistic and coherent notions of general education, skill and vocation need to articulate better within the tertiary sector, and changes to labour market structures need to support these pathways. In recognising the public good nature of skills, education and training, we need to establish the institutional and governance frameworks to support their through-the-cycle investment, in a system which engages all relevant stakeholders — workers, employers and the public sector, and combines elements of market and state mechanisms.

With the Australian economy headed into a period of dramatic upheavals the opportunity to recalibrate the foundations of the Australian vocational education and its relationship to professional education and the labour market is now. 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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