



# The Crisis in INTERNATIONAL EDUCATION

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## Pat Forward

It is a curious space that we in the VET sector currently find ourselves in. As commentators, often in the same breath, lament the impact of the crisis in the international education market, they extol the virtues, and the significance of an industry which now brings in many millions of dollars to the Australian economy. So as the so-called crisis has unfolded, as private vocational education providers have collapsed around us, the clearest theme which has emerged has been the concern for the future of the billion dollar industry — the fears of what this will mean for the economy.

In Melbourne, as one large private provider shut its doors in November, a lone student voice should have struck the hearts and minds of us all. The student from the failed college said:

“I don’t want to go to another private school, I want my money back so I can attend a proper school.”

We cannot measure, in monetary terms what the crushing of dreams and hopes means to individuals when their colleges either fail overwhelmingly to meet even their basic expectations, or collapse and close as they currently are. And we cannot because we are taught to be attuned to something other than the actual human cost of the current crisis.

The problems currently unfolding should teach us two things as a society, and both

challenge the prevailing orthodoxy in fundamental ways. The first is the manifest flaw in attempting to organise a social good like education as if it was a market, and the second is the attempt to overlay on individuals students the set of assumptions that they should and do make rational and calculated choices about their future, particularly in educational terms, on the basis of the value and the advantage in purely monetary terms that education will provide for them.

The current “crisis” in international education is not a failure of the market to do what it is supposed to do, it is the market operating as it should. In markets, where the most powerful and logical driver of behaviour is profit, there will always be winners and losers, successes and failures, those who survive, and those who do not. That is why advocates of market design advocate market design. They fear the capacity of other organising forms to efficiently weed out the weak from the strong, the efficient from the inefficient, the money makers, from the money losers. Markets discipline organisations — markets ruthlessly, and dispassionately separate the good from the bad. Markets eliminate the weakness of human decision making.

As international colleges have failed, and as the crisis gradually spills over into the domestic private VET market, the regulators panic, the “hands-off”, “let the market rip”, “light-touch” auditors scramble for the cover of more regulation, better auditing, more

money spent in making the market run better. But they fail to acknowledge that the current crisis is of their own making, that the seeds of destruction were sown in the original dream — what we are witnessing is not market failure, but market success. And that’s why we should be panicking.

And in the wash-up, it is not about more rules to make sure that students get refunds, or partial refunds, or even places in other private providers. That might be better than nothing but it goes no way towards addressing the problems. You cannot pay for shattered dreams.

Refunds will not even begin to pay students for what they have lost, they will not reduce the despair, or pay them back. They will not help their families or their communities. What they have lost once their college collapses and dreams disappear is not calculable in monetary terms, even if, in the end, that is all that we as a society and a community can offer them.

Education is a social good. It enriches, at its best, the individual and the society. International students are as entitled to the social and individual goods that education provides as much as Australian students are, and vocational education students are as entitled to a high quality, publicly provided educational experience as those in other sectors. ❖

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