Technical and Vocational Education in Australia's Aid Program

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Abstract

Australia has been supporting vocational and technical education in developing countries for more than a decade. The recently announced policy statement "Education and Training in Australia's Aid Program" gives increased emphasis to vocational and technical education (VTE). In supporting the sub-sector Australia acknowledges the role of VTE in creating an adaptable, well-trained workforce. The push for economic growth, combined with the diversification of international trade, deregulation of economies and labour markets and the advent of technological change all contribute to the need for highly skilled workforces in developing countries. Australian assistance to the sub-sector is determined on a country-by-country basis thereby addressing individual countries' particular workforce needs.

This paper provides an overview of the new policy statement which was announced by the Hon Mr Alexander Downer, Minister of Foreign Affairs in August 1996. It highlights the role of VTE in economic development and includes the rationale for Australian support under the aid program to the sub-sector. The paper includes an overview of Australian assistance to VTE during the past decade. It draws on some of the lessons learned from AusAID experience in implementing VTE projects in Asia and the Pacific, including lessons related to policy and administrative requirements for quality VTE programs.

Education, training and development

Education is development's most basic building block. By supporting improvements in education and training in developing countries Australia is helping to overcome one of the major obstacles to poverty reduction and economic growth.

Increasing demands on national economies have increased the need for a skilled and adaptable workforce. Globalisation and rapid technological change place a huge burden on education and training systems to respond to these trends. Increased focus on the education and training sector is justified on a number of counts, the major ones being that:

- most national economies and labour markets are undergoing significant changes which give rise to an increased demand for investment in the development of human resources;

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economic analyses have shown that returns on investment in education, especially basic and primary level education, are high compared with other areas of investment;

- there are positive links between education provision and other aspects of human development and welfare (e.g. health, poverty reduction and sustainable population growth); and

- there has been a growing demand within countries for quantitative and qualitative improvements at all levels of education as a means of increasing access, equity, quality, relevance and cost-effectiveness with the sector.

The Australian Government's aid policies recognise this. The policy statement on education and training in Australia's aid program, released by the Minister of Foreign Affairs on budget night, shows how Australia is moving to adapt to these changing circumstances and needs. The statement builds upon Australia's long history of providing high-quality education and training assistance to the countries of the Asia-Pacific Region and looks to Australia's comparative advantages in the education sector.

Overview of Australia's Aid Program

Before addressing the AusAID Education and Training policy it is worthwhile providing some context for the aid program as a whole.

In his statement on the Aid Program Mr Downer spoke of the Government's commitment to strengthening the focus of Australia's aid program on its fundamental purpose: "to assist developing countries to reduce poverty and improve the standard of living of their people through sustainable development, and to assist in achieving a more secure and equitable international order." Education and Training is central to achieving this aim.

In 1996/97, Australia will provide $1.45 billion as official development assistance. This represents a decline of 10% on 1995-96 outlays. This fall is reflected in a decrease in the ratio of official development assistance (ODA) to gross national product (GNP) to 0.29 per cent. However, this figure is above the OECD weighted average of 0.27 per cent.

Within the aid program, the Asia-Pacific region receives the vast majority of Australian aid flows, estimated at over $900 million this year. This figure excludes Australian assistance to the region through the various multilateral institutions such as the World Bank, the Asian Development Bank, the United Nations and international NGOs to which Australia makes significant contributions.

Education and Training in Australia's Aid Program

During the decade from 1984/85 the Education component of Australia's Aid program averaged 16.3% of all official development assistance (ODA). This level has varied only slightly over the past ten years.

Table 1 shows that the vast majority of assistance to the education sector went to tertiary education (74.6%). This share largely reflects the level of in-Australia scholarships. While scholarships are included as assistance to the education sector, their impact is much broader than this. Scholarships are awarded across the entire spectrum of the higher

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1Australia's Overseas Aid Program 1996-97 - Hon Alexander Downer, Minister for Foreign Affairs
20 August 1996.
education sector from agriculture and humanities through to the natural sciences. Engineering, construction and agriculture awards are among the major categories and reflect AusAID's emphasis on technical and further education. Increasingly aid sponsored students are pursuing postgraduate studies in Australia, as opposed to undergraduate studies.

Table 1: Education ODA by Sub-sector (average 1984/85 to 1994/95)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary</td>
<td>74.6</td>
</tr>
<tr>
<td>Vocational and Technical</td>
<td>10.4</td>
</tr>
<tr>
<td>Primary and Secondary</td>
<td>6.4</td>
</tr>
<tr>
<td>Other</td>
<td>8.6</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
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</tbody>
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Source: Australia's Overseas Aid Program, Official Expenditure - Various Issues

The new policy provides a more balanced approach to provision of education assistance. However, targeted support for higher education and the provision of tertiary scholarships for study in Australia will continue in recognition of the important role it plays in meeting human resource needs in partner countries.

Chart 1 shows assistance to education and training by category over the past ten years. The overall impression is of the dominance of tertiary education. Assistance to VTE has remained fairly constant over time but has fluctuated between years. These shifts are a reflection of the completion of large projects and the impact of new projects coming on stream, and not due to any changes in policy or emphasis.
AusAID's Education and Training Policy Statement

The policy statement Education and Training in Australia's Aid Program, underpins all assistance to the education sector. The goal of education and training in the aid program is to assist developing countries to meet the educational needs of their people.

The five priority areas identified in the policy are:

1. Basic Education
2. Technical and Vocation Education
3. Higher Education
4. Institutional Strengthening
5. Distance Education

Accompanying these priority areas are five underlying principles guiding all education assistance. These principles are:

- To increase access to education including provision for re-entry to formal education and for lifelong learning.
- To promote equity in the distribution of education opportunities and in resource allocation, including equal opportunities for disadvantaged groups, particularly women and girls and rural communities.
- To assist with the achievement of overall qualitative improvements in education services and standards, particularly in basic education.
- To provide education which is relevant to the needs of individuals and of the community.
- To facilitate the effective and efficient use of resources in the education and training sector.

Leaving Vocational and Technical Education aside for the moment it is worth briefly expanding on the other four priority sectors

**Basic Education**

Australia will assist with efforts towards the achievement of universal access to basic education, improvements in the quality of basic education and the equitable distribution of those quality improvements. Basic education includes primary education, lower secondary education, adult literacy and numeracy programs, and mass education programs (where the knowledge imparted is considered as essential and the standard of learning is equivalent to primary). While many developing countries have made substantial progress in the area of basic education, significant gaps remain with most developing countries falling well short of achieving their basic education objectives. AusAID is looking to redress these gaps through the aid program.

**Higher Education**

The policy objective in this area is to support higher education needs in developing countries according to the knowledge and skill needs of each country. Higher education provides opportunities for advanced and/or specialised training, essential for
positions of responsibility in government, business and the professions. Australia will continue to provide direct assistance at the higher education level through the provision of scholarships for tertiary training. The number and nature of scholarships provided will continue to be based on individual partner country requirements and priorities.

The scholarship programs will increasingly take advantage of developments in the internationalisation of Australia’s educational services including establishment of offshore campuses of Australian institutions, twinning arrangements and increased utilisation of distance education through new technologies. Australia will also continue to provide assistance in the development of in-country higher education systems maximising our particular strengths in policy formulation and systems development and management.

**Institutional Strengthening**

Institutional management and technical capacity is critical for the effective development and maintenance of quality education systems. The goal in this area is to help strengthen both central and decentralised institutions at the sectoral, sub-sector or single institution level. Institutional strengthening is a means of achieving improvements in the provision of education services and may be applied at any level: basic, upper secondary, tertiary or system wide. In development terms getting the policy environment right is central to implementing and sustaining educational reforms.

**Distance Education**

Distance education will receive more emphasis from Australia. The aid program will promote the use of distance education as a means for increasing access, improving equality of access and enhancing the relevance and cost-effectiveness of education opportunities.

Distance education is seen as particularly beneficial at the post secondary level. Among the examples of the types of distance education being considered are:

- bridging and adult education for those who have been pushed out of primary or secondary education and require access to different types of programs to re-enter the formal education system; or as part of life-long education opportunities to develop knowledge and skills for other purposes, including workforce upgrading;

- short in-service training for those who are already trained in areas such as education, health, and agriculture, and who need to be kept up to date with new techniques and developments in their profession; and

- upgrading of formal qualifications for those who have already undertaken initial training and are employed in the workforce and who wish to add to their qualifications.

**Rationale for Assistance to VTE**

Vocational and technical education provides an essential framework for skills development to underpin economic development. In many countries there is a vital lack of skills training in basic vocational and technical areas.

The push for economic growth, international trade, deregulation of economies and labour markets, together with the impact of technology, have heightened awareness of the critical role of VTE. In developing countries this has often translated into requests for
donor assistance by way of advice and financial support. Economies have been able to progress using unskilled and semi-skilled labour. As skilled labour demands increase, there is a growing awareness on the need to focus on developing integrated systems involving both the public and the private sectors.

World Bank experience suggests that the level of economic development and the scale and dynamism of industrial employment are key factors in determining the success of investments in VTE. The needs of countries vary according to their stage of development. AusAID's experience is consistent with this finding.

In middle income countries where national training systems are already in place, VTE strategies should emphasise rehabilitation of infrastructure and quality improvement, particularly curriculum, standards and teacher competence. In lower to middle income countries the focus could be on policy issues, including the development of alternative structures separating VTE from general education and to encourage more industry involvement in provision of training. In small-low income countries resources could be directed to non-formal training centres, improving the quality of training, and developing management capacity for both training and leadership.

World Bank research has found that the returns from vocational education are much lower than the returns from general secondary education. A conclusion from this is that specialised VTE should be delayed in preference to a general secondary education. Diversified general secondary education to incorporate vocational training has not delivered adequately trained graduates prepared for the workforce.

The provision of sustainable training initiatives is critical. If there are real workforce requirements and the training programs of recipient countries are inadequate, this can have a major adverse impact on economic development. This can require the recruitment of highly paid expatriate workers to meet the supply shortages. The adaptability of the workforce to meet changing conditions requires access to regularly updated training and re-training.

On this basis, the aid program states its objective in VTE as contributing to the development of a skilled and adaptable workforce which meets the short to medium term needs of both the public and private sectors in developing countries.

Given this objective the next question is how to achieve it.

Almost all countries are facing critical shortages in the face of rapidly changing technology and a rapidly changing global economy. Linking the training programs of countries to the changing needs of industry is crucial to the effective provision of assistance. There are a number of strategies involved. The strategies will vary depending upon the individual needs of each country and Australia's financial and other capacities to assist. Consultation through various mechanisms will determine the strategies employed, with one of the most important mechanism being High Level Consultations between governments.

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2Education and Training in Australia’s Aid Program - Policy Statement announced by the Hon Alexander Downer MP, the Minister for Foreign Affairs. August 1996
Strategies for Determining VTE Assistance.

AusAID is considering a variety of strategies to implement the policy which are outlined below. The selection of an appropriate strategy is determined on a country-by-country basis.

- **Focus on the stage of economic development and the size of the country.** As mentioned above, World Bank research has indicated that the size and level of economic development in a country determines the type of investment required in VTE. Middle income countries with an established national training system may require support for rehabilitation and qualitative improvements. Small lower income countries may benefit from non-formal developments. There may be need to separate VTE from mainstream general education in some lower-middle income countries because of the high costs and low returns of this form of VTE.

AusAID prepares a country strategy paper for countries that receive bilateral aid. This strategy determines AusAID's approach to each country and varies according to each country's needs and stage of development. The strategy is agreed with developing country partners, and activities underpinning the strategy are discussed in annual High Level Consultations. In the case of the Solomon Islands (a relatively low-income country) there is a strong focus on secondary education as well as developing VTE through support to a separate institution, the Solomon Islands College of Higher Education (SICHE). Most of the courses at SICHE are of a vocational and technical education nature with the college being assisted with upgrading the skills of both teaching and administrative staff.

- **Industry Involvement:** Industry involvement in VTE enhances its effectiveness. As a primary stakeholder, the private sector has much to contribute. A case can also be made for Industry to be involved in providing the financial resources required for the provision of training, as industry can gain the most benefit. A key role for industry is the monitoring of the competencies and standards involved in courses which are required for employees in each sector. Forming effective partnerships between the public and private sectors is also important. Government financing of training may be required when the private benefits of the training are less than the costs, but there are additional social benefits.

Australia can assist developing country governments to create environments in which effective private-public partnerships will be supported, such as those between industry and vocational schools. AusAID is also seeking to utilise the potential of training partnerships with Australian industry-based providers of VTE to deliver the aid program. For instance, Australian mining companies with large investments in the region have a vested interested in training skilled workers. Australia also has recognised skills in service areas such as banking, tourism, construction and communications where similar investments could be possible. There is opportunity to assist VTE-providers in recipient countries to create partnerships with domestic industry or Australian industry.

With rapid technological change or high specialisation within industry there is a need to focus on more on-the-job training and industry-based programs. Many countries in the region see high technology industries as the platforms for future growth. This presents an opportunity for the aid program which will require innovative project
design in order to tap into areas of Australian expertise in high technology and in technology training.

AusAID's work with Indonesia reflects how the industry involvement strategy can work in practice. The proposed Indonesian Schools-Industry Training Project builds on two recent AusAID Projects: the Indonesia-Australia Technical and Vocational Education Project Parts A and B. IATVEP Part A focussed on strengthening institutions while Part B focussed on strengthening the Indonesian Directorate of technical and Vocational Education. In light of the recently-released White Paper by the Indonesian Government's Taskforce on Development of Vocational Education and Training, Skills Towards 2020, and building on the preceding projects, AusAID will work with the Indonesian Government to design the new project to promote increased linkages between training institutions and industry.

- **Competency-standards approach:** Establishing trade testing and certification systems can also lead to increased competitiveness and workforce flexibility. Designing lists of industry- and trade-based skills common to industries will increase the flexibility of the economy's workforce. The new systems would be combined with occupational analysis of skills demand and modular training to upgrade skills. Performance data will feedback to system managers and employers to monitor the effectiveness of system outputs.

The proposed $18.0 million, five-year, Papua New Guinea National Trade Testing and Certification System (NTTCS) Support Project will be an example of this strategy in practice. The purpose of the project, as presently proposed, is twofold: (1) strengthening the NTTCS so it can effectively test and certify the competency of workers at three levels and initially in seven core trades and, after project completion, on an ongoing basis in all trades; and (2) developing the capacity of the training system, including the private sector, to train to the standards established using curricula based on Competency Based Training principles.

- **Advanced Training:** There will always be a need for advanced training in various vocational areas. AusAID's scholarship program can provide this type of assistance, complemented by high-level job specific training in-country. Third country and in-Australia placements will also be used to develop this capacity.

The four-year, $16.5 million Thailand Lignite Mines Development Project, Phase III (LMDP) reflects this strategy. Commenced in July 1992 and recently completed, the LMDP emphasised skills development and technology transfer and was focussed on ensuring that mine expansion occurred in an environmentally sound manner. Technical assistance covered mine planning and operations, maintenance and materials management, environmental management and occupational health and safety, and was provided through in-Australia training and in-country training.

Implementing the Education and Training Policy

The new education and training policy will be implemented within AusAID's country programming framework. For each partner country, Australian and education and training assistance will be decided according to specific needs, while taking into account Australia's capabilities and comparative advantages. In large country programs there may
be a need for a comprehensive education and training sectoral assessment which, inter
alia:

- analyses the education and training sector in the partner country - including
  consideration of existing education and human resource development policies - to
  identify the needs and opportunities in the sector;

- assess the way in which these needs and opportunities relate to Australian
  capabilities; and

- develops a plan for Australian assistance to the sector - including the relative
  balance between the five priority areas - which will become part of the country
  strategy agreed with recipient governments through high level consultations.

Through implementing this policy and process AusAID will draw on the comparative
strengths of the Australian education and training community to help address the priority
needs of developing countries.

It is important to note that the shift in priorities toward vocational and technical education
embraced by the new policy does not come with additional funds - it will have to be
accommodated within current programming and budgets that are under increasing
pressure.

- The shift in priorities will also require discussion with developing country partners,
  ensuring that a balance is achieved which meets their needs and aspirations as well as
  Australia's policy imperatives. AusAID believes that the policy provides a more flexible
  and developmentally relevant focus for education and training in the aid program. The
  new policy framework is a part of continuing change in the aid program to meet
development challenges. Vocational and technical education provides a powerful tool for
meeting those challenges.
Principal References


From: Sue_Connell@ausaid.gov.au
Date: Thu, 24 Oct 96 16:14:48 EST
To: unevoc@rmit.edu.au
Subject: UNESCO UNIUOC Regional Conference: AUSAID Paper

Attention: Ms Diana Russell
Conference Manager
UNESCO UNIUOC Centre
University Office of International Programs
RMIT

Please find attached the AusAID paper for the UNESCO UNIUOC conference to be held in November. I am also sending a copy by fax and a hard copy by express post today.

Sue Connell
Social Sector and Gender

The following is an attached File item from cc:Mail. It contains eight bit information which had to be encoded to insure successful transmission through various mail systems. To decode the file use the UUDECODE program.

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