

Inter-regional Technical Forum on Skills for Trade, Employability and Inclusive Growth

Do skills matter for trade + inclusive growth?

Professor John Buchanan
University of Sydney
Business School

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Introduction



- Thanks for invitation, honour to contribute
 - My role:
 - Reflect on key skill challenges + the drivers of change relevant to ILO's STED + G20 Training Strategy
 - Friendly 'outside' critic
 - My central concern
 - reports of 'skills shortages' persist while skill levels rise
 - OECD (eg USA, UK, Australia....)
 - Asian Developmental States (eg Singapore, Korea)
 - Rapidly developing countries (eg China, India)
- ⇒ Do skills really matter?

Outline:



Yes, skills matter, but ...

(a) Skills for what?

(b) Skills in what?

(c) How do we get to a better place?

Do skills matter for trade + inclusive growth?



- High education levels don't guarantee economic success:
 - Eg Scotland + Cuba
 - This does not mean skills are worthless
 - Eg South Africa – a country with huge potential, but poor quality basic education is seriously retarding growth
- ⇒ While skills are not the answer, there can be no answer without skills
- So what sort of skills matter for economic + social development?

Skills for what?



- **Motivating examples:** hospital cleaner, aircraft maintenance, secondary vocational education
- Implications for policy + practice:
 - (a) Australia: TVET + children's services
 - (b) Developing countries: take informal sector as a given primarily train for self-employment + boost its productivity **vs** support economic renewal

Getting the question right: are we primarily interested in having a better developed and organised reserve army of labour **OR** do we want to deepen adaptive capacity in support of social + economic renewal?

Skills in what?



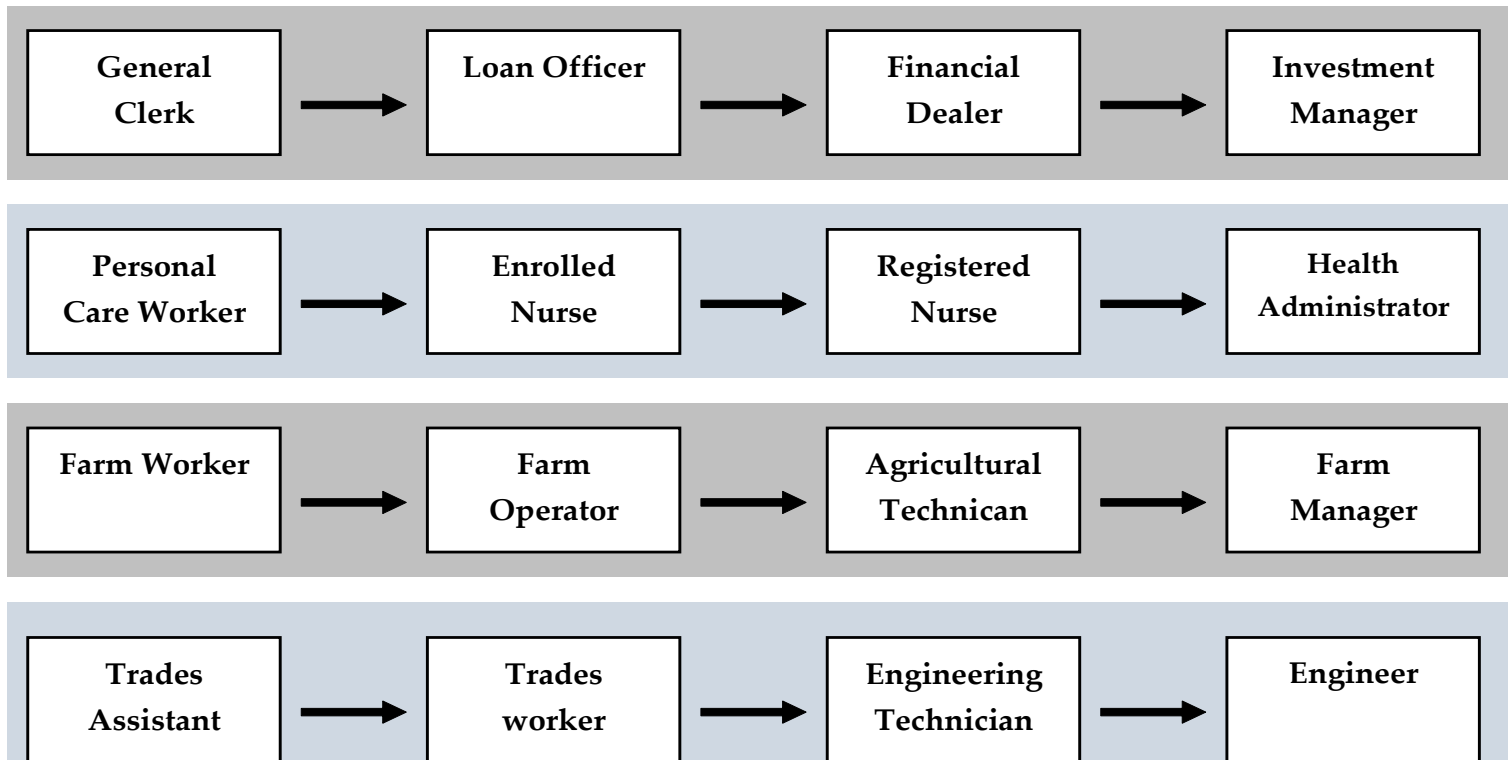
- Common framing of the issue:
 - long standing debate about ‘general education’ vs ‘training for immediate workplace requirements’
- Emerging debate on adaptive capacity + ‘vocational streams’
 - Compare National Qualifications Framework categories for thinking of jobs + qualifications with the reality of flows of learning + labour.

⇒ Insights from current Australian debate

Skills in what? (continued)



- How are jobs + pathways commonly defined in qualifications frameworks



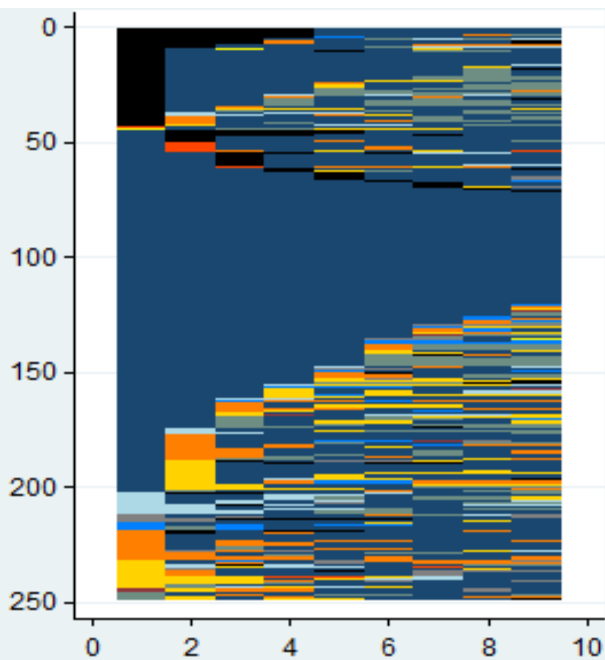
- What are the commonalities in the trajectories of workers in the labour market?

Skills in what?

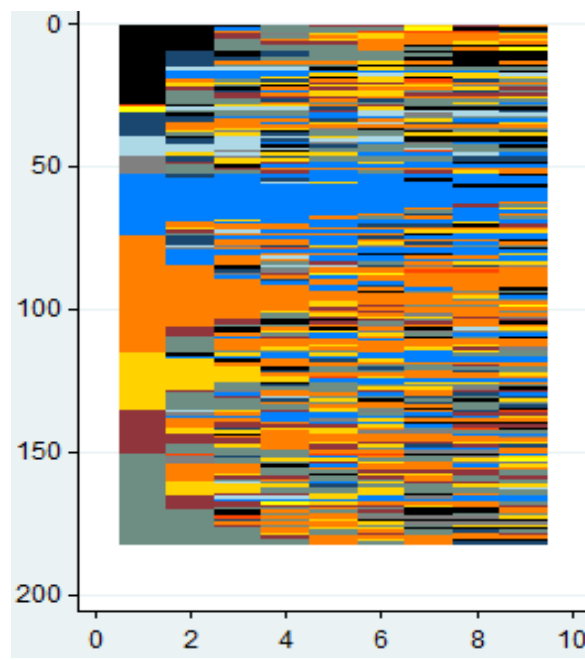


- How do people actually flow in the labour market?
The reality of segmentation (example from agriculture)

Farmers



Farm labourers



Key

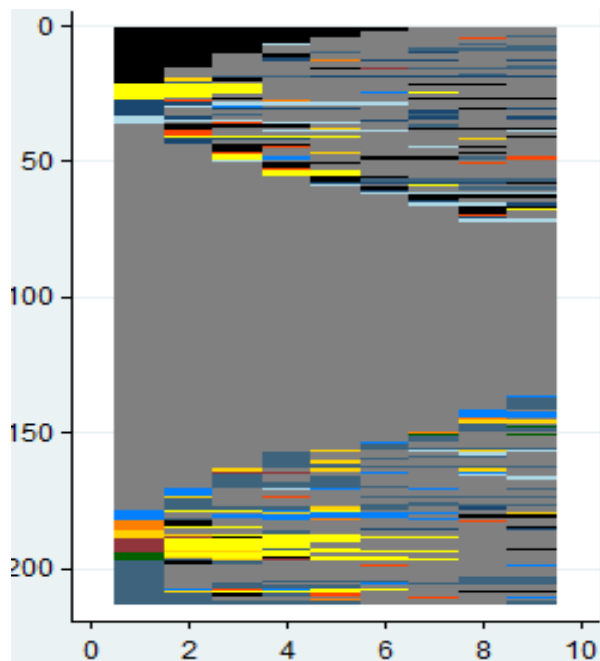
[1] Studying Secondary
[2] Studying VET
[3] Studying Higher Ed
[4] Manager
[5] Professional
[6] Technician/Trades
[7] Community Services
[8] Clerical
[9] Sales
[10] Machinery Operator
[11] Labourer
[12] Unemployed
[13] Not in the labour force

Skills in what? (continued)

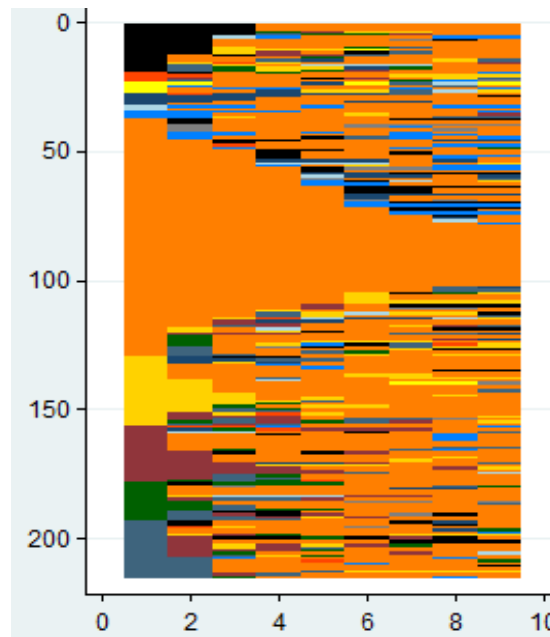


Key results – Healthcare and Community Services

Registered
Nurses



Personal
Carers



Key



Skills in what? (continued)



Why does the current situation persist?

- Occupational segmentation the overarching result
 - Limited flows to higher skilled occupations or further study
- High skill trajectories = access to high skill work
- Low skill trajectories = entrenchment in low skill work
- Marginal attachment
 - Long episodes out of the labour force, often women and older workers

⇒ How do we make sense of these facts?

How are we to make sense of these key facts



The labour market is not like a lake, it's more like a river

- Fact 1: limited vertical movements could be conceived as something like Warragamba Dam: overwhelming stasis with occasional leakage out + in, but this misses the dynamism



How are we to make sense of these key facts



Even with the river analogy, segmentation does not entail ‘rivers + billabongs’

- Fact 2: flows often involve horizontal churn, not static segmentation

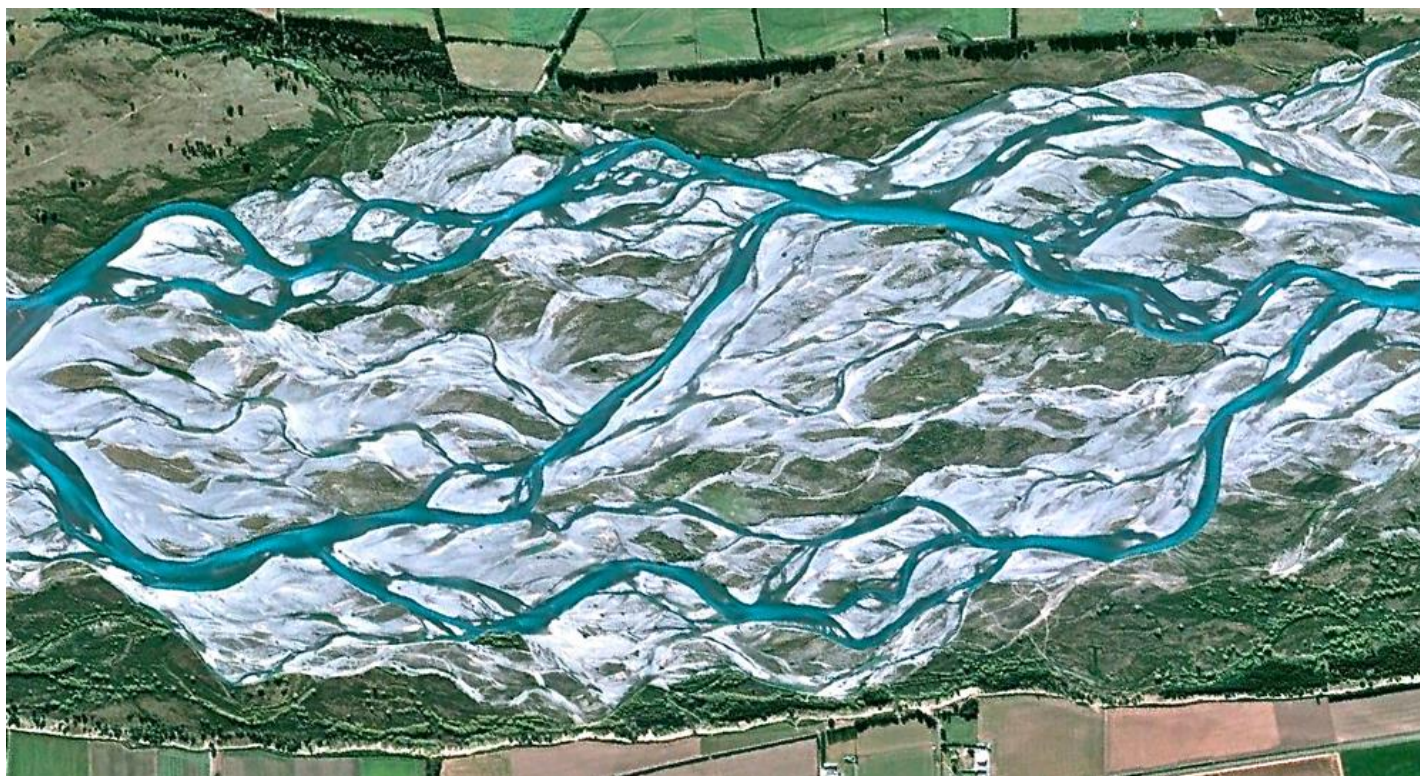


How are we to make sense of these key facts



New Zealand's braided rivers offer better visual analogy (Part 1)

- Fact 3: – flows within the labour market are structured, but not neatly



How are we to make sense of these key facts



New Zealand braided rivers offer better visual analogy (part 2)

- Flows go into and out of the braided river, as well within (analogous to work $\Leftrightarrow$ education transitions)



New categories for these findings



- We define vocational stream as:
‘a set of occupations linked by common knowledge, skills and capabilities within a broader field of practice’
- For example, care work, financial advice, logistics, engineering, rural operations, customer service
- Why might these links be important?
 - Support development of adaptable, autonomous individuals
 - requires practical ability informed by coherent underpinning knowledge
 - Facilitate improved pathways within and between tertiary education and the labour market
 - Provide basis for workplaces with adaptive + innovative capabilities

=> How can vocational streams be improved?

Implications: beyond 'general education' vs 'narrow training'

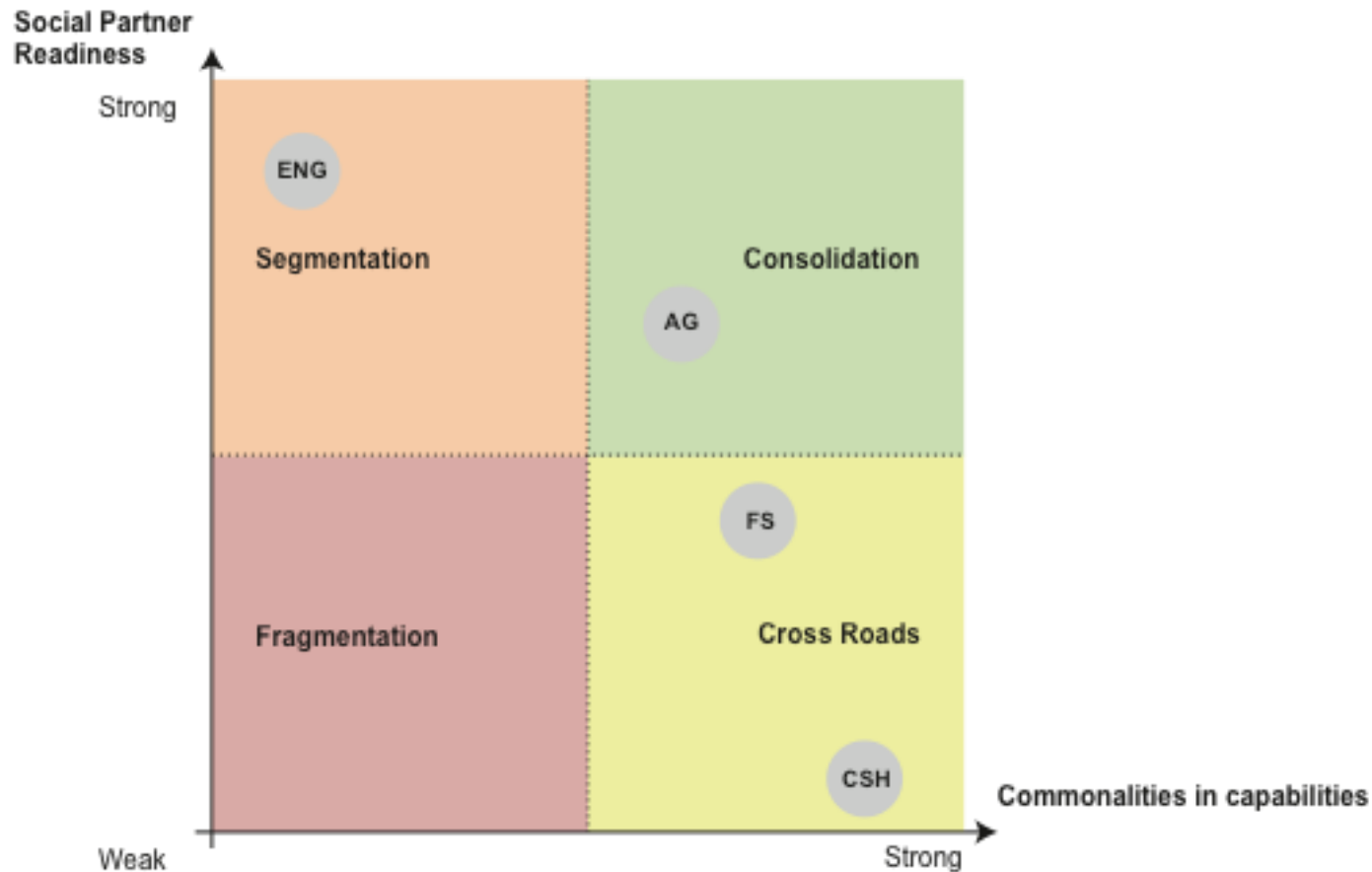


- Two enabling conditions characterise vocational stream potential
 - Commonalities in capabilities: identifiable linkages and overlaps between the skills and knowledge underpinning broad scope of practice.
 - Social partner readiness: the potential (realised or not) for stakeholder commitment and collaboration around workforce issues. Requires communities of trust

Implication – different domains have different challenges + opportunities



- Vocational stream potential in the four case studies



Example: agriculture



- › Strong potential for regional vocational streams (Rural Operations)
 - › Narrabri model being rolled out to Warren Blackwood (WA), Eyre Peninsula (SA), Loddon Mallee (Vic) and Western Downs (Qld)
- › Pivotal drivers of success:
 - › Great sensitivity to the skills ecosystem of the region
 - › Especially nature of local production and skills formation
 - › Engagement of local experts and champions
 - › Ongoing funding

Summary: Skills in what?



- Currently too little attention is devoted thinking beyond the tired old dichotomies: ‘General education’ vs ‘specific skills’
- Australian system is just as problematic as those in NZ, South Africa on this matter
- Recent research highlights the need for more sensitivity in this area
- There are two key issues:
 - Conceptually – how do we define vocational streams?
 - Practically – how are credible communities of trust nurtured to support them?

Getting the question right: how adequate is our framework(s) for defining and supporting adaptive capacity in individuals + organisations?

How do we get to a better place?



- The importance of anchor institutions
 - Formal frameworks like National Qualifications Frameworks are not enough
- Employers need help in becoming collectively self-reliant when it comes to skills development + use
 - Better skill supply alone is inadequate

Getting to a better place:

(i) Anchor Institutions



- In recent decades too much attention has been paid to formal frameworks (like NQFs) and too little to institutional anchors needed for quality in TVET
- Anchors are needed to provide clear reference points + sites for actively defining, delivering + enforcing standards
- Such anchors (like public TVET colleges) need to be accountable to broad constituencies (especially employers, + union)
- These institutions need to be focal point for communities of trust supporting broadly defined vocational streams

Getting to a better place:

(ii) Employers + skill use



- Skills are a classic ‘common property’ problem
- Governments + public money can’t solve this alone
- Employers need help to become collectively self-reliant - not just in developing but also using skills.
- Example from Australian Dairy industry
 - Research the problem
 - Formed specialised taskforce (run for over 17 years)
 - Devised collective plan
 - Supported by self-imposed levy
 - Have deepened farmers’ labour management capacity (including work health and safety)
 - Now looking taking broader lead in Aust agricultural sector

Where has this analysis come from?



1. Adaptive capacity and human capability
 - Sen and Nussbaum work on human capability
2. Vocational streams and communities of trust
 - Leesa Wheelahan et al on the Vocations project
3. Building on the best of current practice: Metis vs 'Seeing like a state'
 - Scott on 'Seeing like a state' and the importance of 'metis'
4. Narratives and numbers approach to analysis
 - Williams et al on Financialisation and the Foundation Economy
 - Kilkullen on Islamic state and war on terror.
5. Collaborative and deliberative approaches to applied research
 - Making social science matter
 - OECD and ILO on analysing changing skill requirements
 - Skills Australia/Australian Productivity and Workforce Agency Workforce Development plans.

Summary



Four key questions:

- **Skills for what:** are we primarily interested in having a better developed and organised reserve army of labour **OR** do we want to deepen adaptive capacity to support social + economic renewal?
- **Skills in what:** how adequately are we supporting the development of that adaptive capacity in individuals + workplaces?
- **What, if any, anchor institutions** have we nurtured for vocational education?
- **How can we best help employers become collectively more self-reliant** in developing and using skills?

Conclusion



The current situation is dynamic +rich with possibilities

- skills are not the answer but there is no answer without them
- We must reflect on paradoxes (eg ‘skill shortages’ co-existing with ‘underutilised skills’) by breaking with unhelpful habits of thought (eg General education vs TVET).
- The key challenge is about deepening human capability – at work and beyond
- When framed in this way questions of skills become integral – not incidental - to economic + social renewal.

Current policy in Agriculture: too many qualifications?

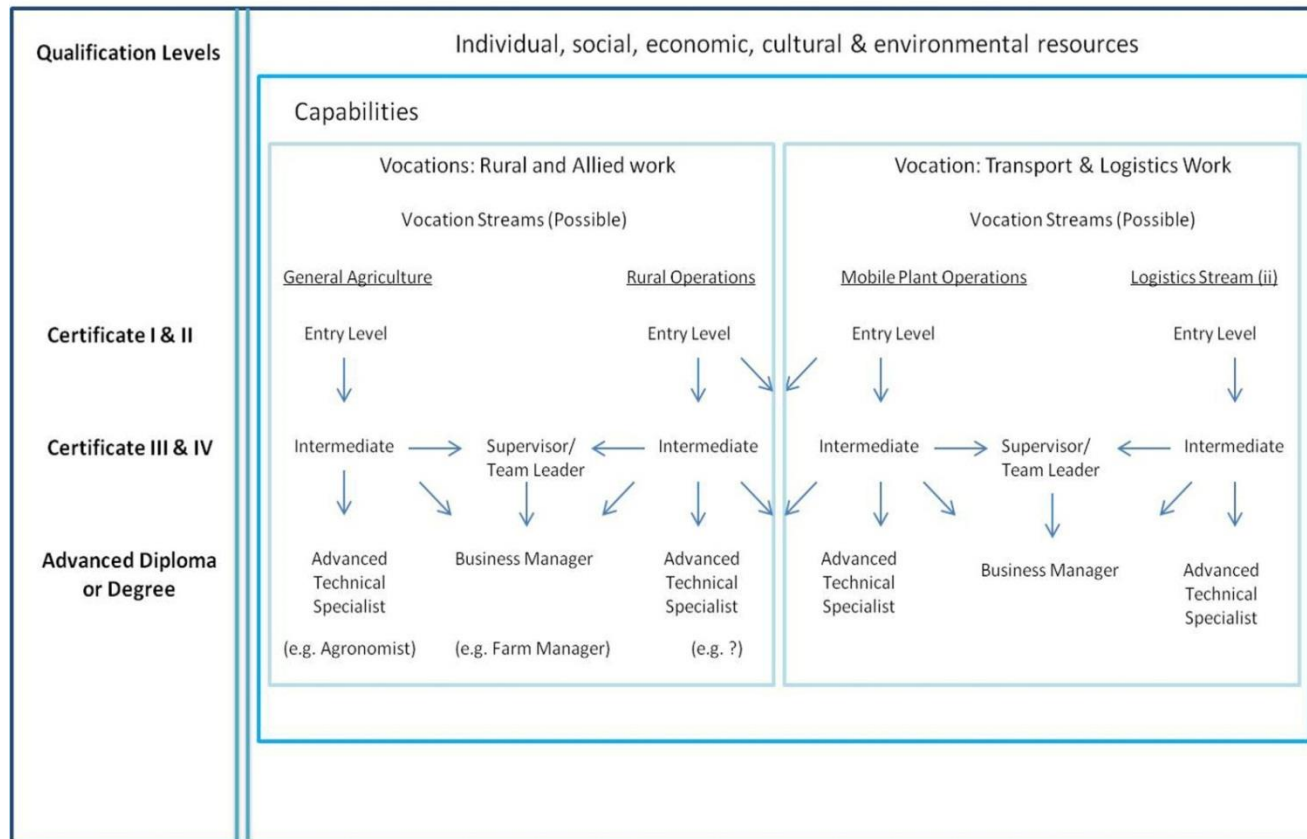
Qualification level	No. Available
Certificate I	13
Certificate II	36
Certificate III	70
Certificate IV	38
Diploma	33
Advanced Diploma	5
Vocational Graduate Certificate	1
Vocational Graduate Diploma	1
<i>Total</i>	<i>197</i>

Vocations and the capabilities approach in Agriculture

Elements of capability/ domains of expertise	Qualifications				
	Common Core	Certificates II, III + IV		Diploma	
	Foundations knowledge + skills at intermediate level	General Agriculture	Rural Operations	Agriculture	Business Management(Agriculture)
Agribusiness (eg financing, marketing, economics)	Structure of ag sector + basic clerical + HR skills	Common core	Common core	Common core	More advanced (to articulate into Business/management degree)
Sustainability practices (eg water, land, carbon management)	Basic principles + standard operating procedures	Common core	Common core	More advanced core	More advanced
Operations of machinery + technology	Advanced operational + routine maintenance principles	Common core	- Operation, transport + maintenance of mobile plant + specialist machinery - operation + recovery of 4 wheel drives - cleaning machinery of plant, animal + soils - welding using manual + gas metal arc welding - traffic controls	Common core	Common core
Production systems (eg irrigation + fertiliser use)	Understanding farm production systems	Common + specialism relevant to chosen area	Common + specialist knowledge re chemical application, transport + storage	More advanced	More advanced
Animal science + husbandry	Animal performance nutrition + breeding	Common + specialism of either: - intensive animal production - extensive animal production	Basic/common – ie working knowledge to help with how deploy equipment	More advanced (to articulate into a Ag Science degree)	More advanced – but not necessarily to articulation level with HE
Land, plant + crop science	Land, plant + crop production/ management	Common + specialism of either: - intensive production of horticulture for food - amenity horticulture - conservation land management	Basic/common – ie working knowledge to help with how deploy equipment.	More advanced (to articulate into an Ag Science degree)	More advanced – but not necessarily to articulation level with HE

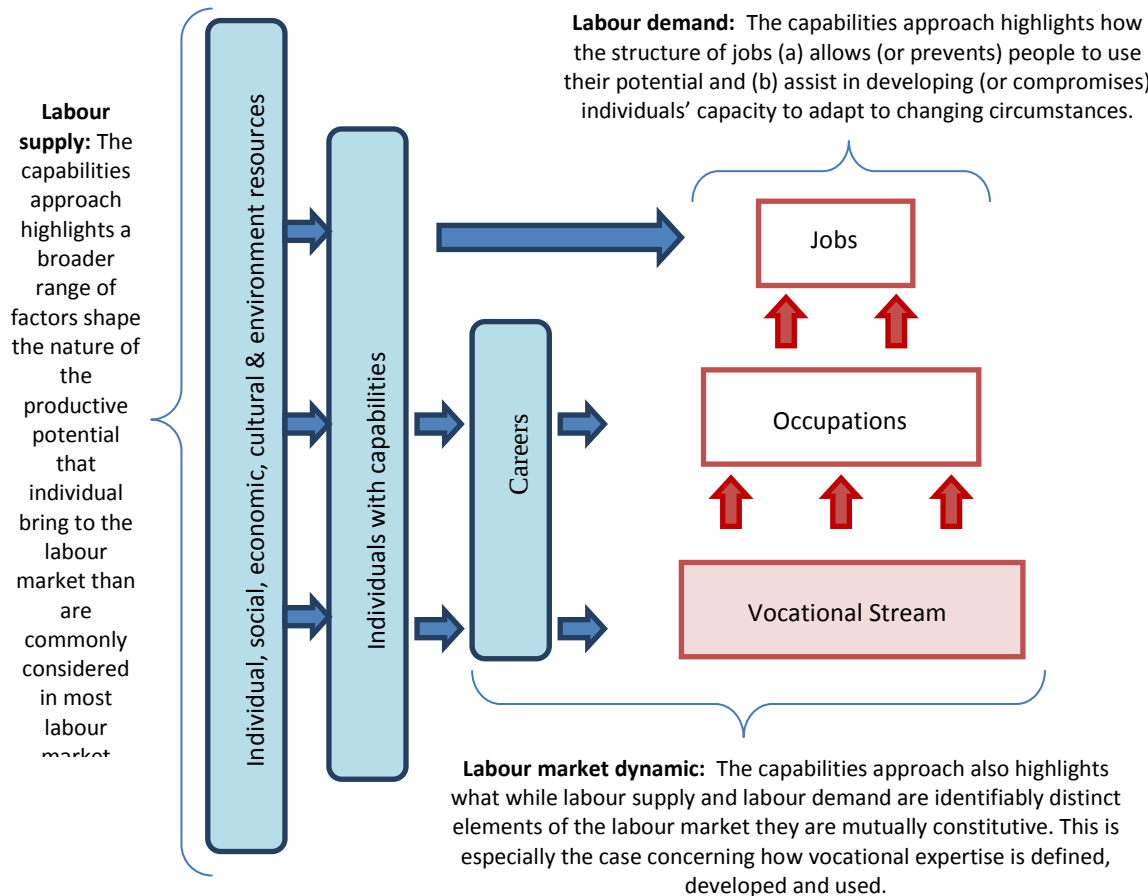
Vocations and the capabilities approach in agriculture

Relationship between capabilities, vocations, vocational stream & qualification levels; potential examples from Rural and Logistical Work



New categories – a summary

How a capabilities approach enriches notions of labour supply and labour demand and how they interact



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