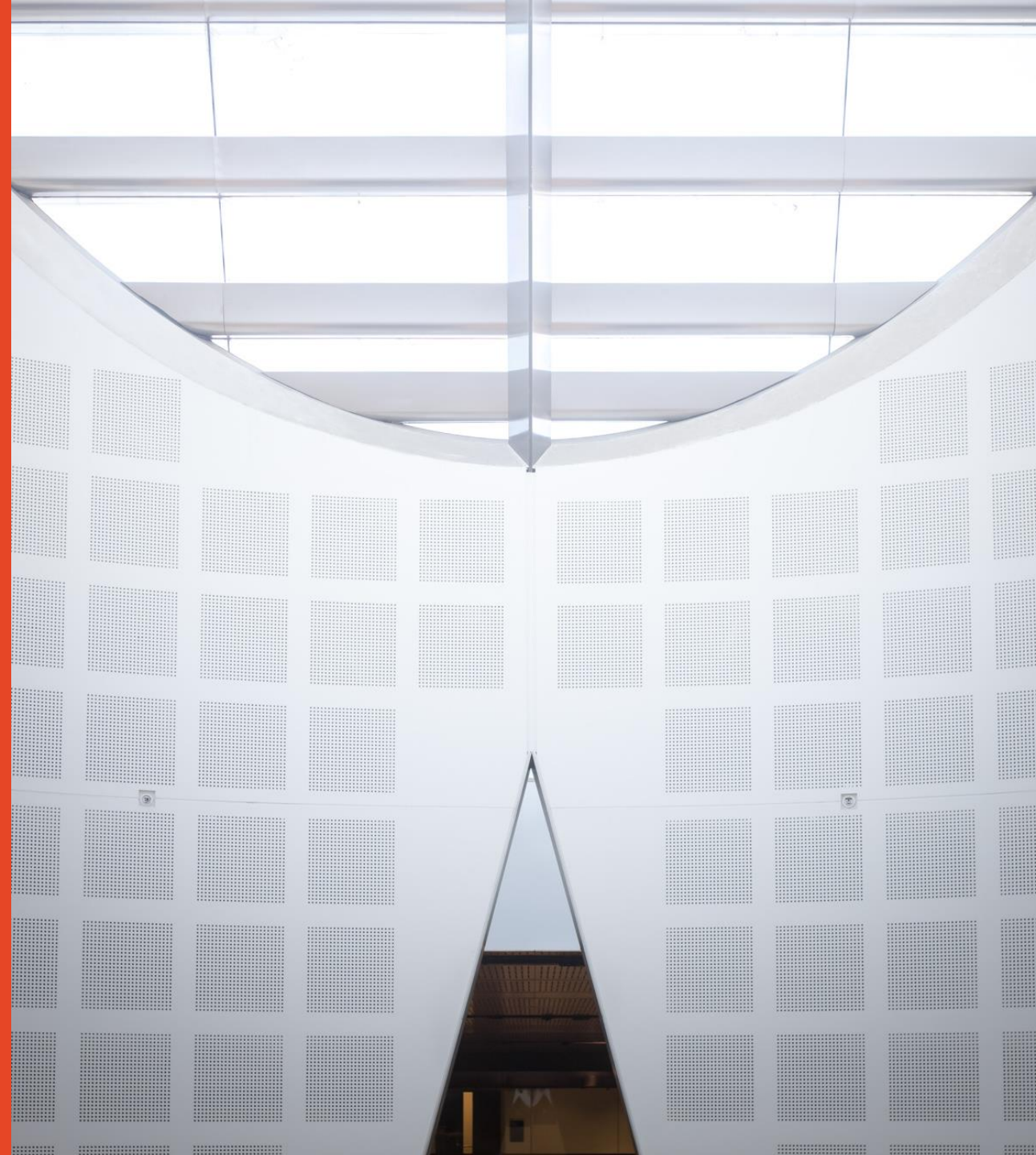


# Building + Undermining the mental wealth of nations: lessons from the modernization of vocational education in Switzerland + Australia

Powerpoint presentation prepared by Professor  
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# Overview

- Mental wealth and apprenticeships (a neglected domain)
- The evolution of apprentice systems
  - Similarities + differences in Swiss and Australian experiences
- Legacies and the current situation
  - Swiss 'Gold Standard'
  - Australian 'failed experiment'
- The critical issue: collaboration to build mental wealth  
(cf competition + maximising human capital)
- Conclusion + implications
  - Business and mental wealth

# Mental Wealth + apprenticeship

- Mental wealth defined (Beddington et al 2008, Occhipinti et al 2022)
  - National success depends on developing mental and not just material resources
  - Two key dimension to mental wealth
    - ***Mental Capital***
      - The stock of our cognitive and emotional capabilities
    - ***Mental well being***
      - This determines how mental capital is developed and deployed
  - Key dynamic of interest – *mental capital – mental well being nexus*
    - Sound mental well being deepens mental capital, compromised mental well being depletes it.

# **Mental Wealth + Apprenticeships:**

## **Dimensions of support surrounding carpentry apprentices in the organisations studied (ie apprenticeship about much more than getting technical skill) (Buchanan et al 2016)**

### **LABOUR MARKET**

- **INDUSTRY LEVEL**

- Industry Skills Councils
- GTO Field Officers
- "Mates in construction"/OzHelp

- **FIRM/ORGANISATION LEVEL**

- Apprentice Co-ordinator
- EAP/HR

- **SITE LEVEL**

- Seasonal trade person as supervisor
- Other tradies on site (includes subbies)
- Others in the work group
- Other apprentices

### **EDUCATION**

- TAFE/RFO Teacher
- Apprentices from other organisations

**Apprentice**

State Registration Boards

Australian Apprenticeship Centre

### **GOVERNMENT**

# Apprenticeship systems are rare:

## Similarities + differences of Australian + Swiss Evolution

Period	Challenge	Switzerland	Australia
1890s – 1940s	Challenge of 2 <sup>nd</sup> industrial revolution + crises in apprenticeships => modernised system	National debate results in increased federal power, national standards + labour protections for apprentices	Systematisation of provision with support of (a) 'Public Technical Education + (b) Conciliation + Arbitration in labour law
1940 – 1960s	Post-war growth + consolidation of apprenticeship model	System consolidates with 40% of boys + 20% of girls. Employers active with Cantons	Meeting skills shortages + consolidating role in skill formation (for males)
1970s-1980s	<b>Economic restructuring + educational expansion</b>	Educational expansion through apprenticeships. Not just technical skills, also 'methodological' + 'social skills'	Lifelong learning: expansion of universities and emergence of further education – not tech ed
1980 – 1990s	Globalisation challenge (initial)	New arrangements for: inter-firm training, voc teacher quality and 2 <sup>nd</sup> chance learning	National Training Reform Agenda: open up trade skills based on competency based training
1990s - 2010	Globalisation challenge (subsequent)	Development of higher, voc ed: Fed Voc Baccalaureate + Uni's of Applied Science	Marketise training provision in national 'training market'
2020s ?	Post Pandemic reconstruction		

# Legacies + current situation

- Swiss apprenticeship and vocational education system the envy of the world
  - Eg 'Gold Standard' report
  - 75% of population takes the vocational pathway
- Australia
  - Huge part of the system about second chance learning
  - System failing on its own terms (number and % of qualifications)
  - Scandals surrounding private providers
  - Declining employer involvement in education and training
  - Problem of relevance: churn in qualifications production

(a) VET crucial for second chance learning: Indicative number + % of govt funded VET students, Australia, second half 2010s.

Type of VET students	Indicative numbers in training (range)	Indicative proportion
Apprentices and trainees	270,000–310,000	30%
Students from disadvantaged backgrounds (supported by loadings and/or fee relief)	400,000–500,000	40%
Other classroom-based, full-qualification students getting government support	250,000–350,000	30%



## Problem (b) – system failing on own terms (COAG/PC)

<b>Benchmark: Halve Australians without quals at Cert III + above 2009 – 2020</b>	<b>47.1% (2009)</b>	<b>42.5% (2014)</b>	<b>36.3% (2020)</b>	<b>Not on track</b>
Benchmark: Double higher level qual completions (Dips + Advanced Dips) 2009 – 2020	53,974 completions (2009)	74,091 Completions (2014)	34,061 Completions (2020)	Not on track
Indicator: % of VET graduate with improved employment after training	67.6% (2008)	59.7% (2014)	65.2% (2021)	Negative change

## Problem (c) – Quality – Private provider scandals

Provider	Earnings before interest and tax (EBIT) (%)			
	2011	2012	2013	Last reported status on Web
Vocation	6	18	21	Collapsed 2015, Dawkins in court
Ashley Institute of Training	35	35	35	Trading halt 2016
Intuere	29	31	35	Quits Australia 2017
Australian Careers Network	46	40	51	AFP Raid + in administration 2016

## (d) Declining employer commitment: Formal and/or non-formal learning, Australia, 2005, 2013, 2016/17

Source: ABS, *Work-Related Training and Adult Learning*, Australia, 2016/17 Cat No 4234.0

In the last 12 months any...	2005 (%)	2013 (%)	2016/17 (%)	2020/21 (%)	Change 2005 – 2016/17	Change since Covid
Formal learning	18.5	21.6	21.0	21	-0.6*	0
Non-formal learning	37.9	32.1	25.5	27	-12.4	+1.5
Work related training	35.9	26.9	21.5	23	-14.4	+1.5
Personal interest learning	Na	8.4	6.1	6		-0.1
Total (ie any formal or informal learning)	48.9	46.4	40.9	42%	-8.0	1.1

## (e) Problem – Relevance (and churn)

Employment, VET Training + Attainment, Aust Agriculture 2005-2011

Average Employ- ment	Average Annual enrol- ments	Total VET complet- ions	Educational Attainment: VET (+Bachelors)		
			2005	2011	2015
323,000 – 353,000	85,000	160,000	29.2 (8.4)	30.4 (12.4)	29.5 (15)

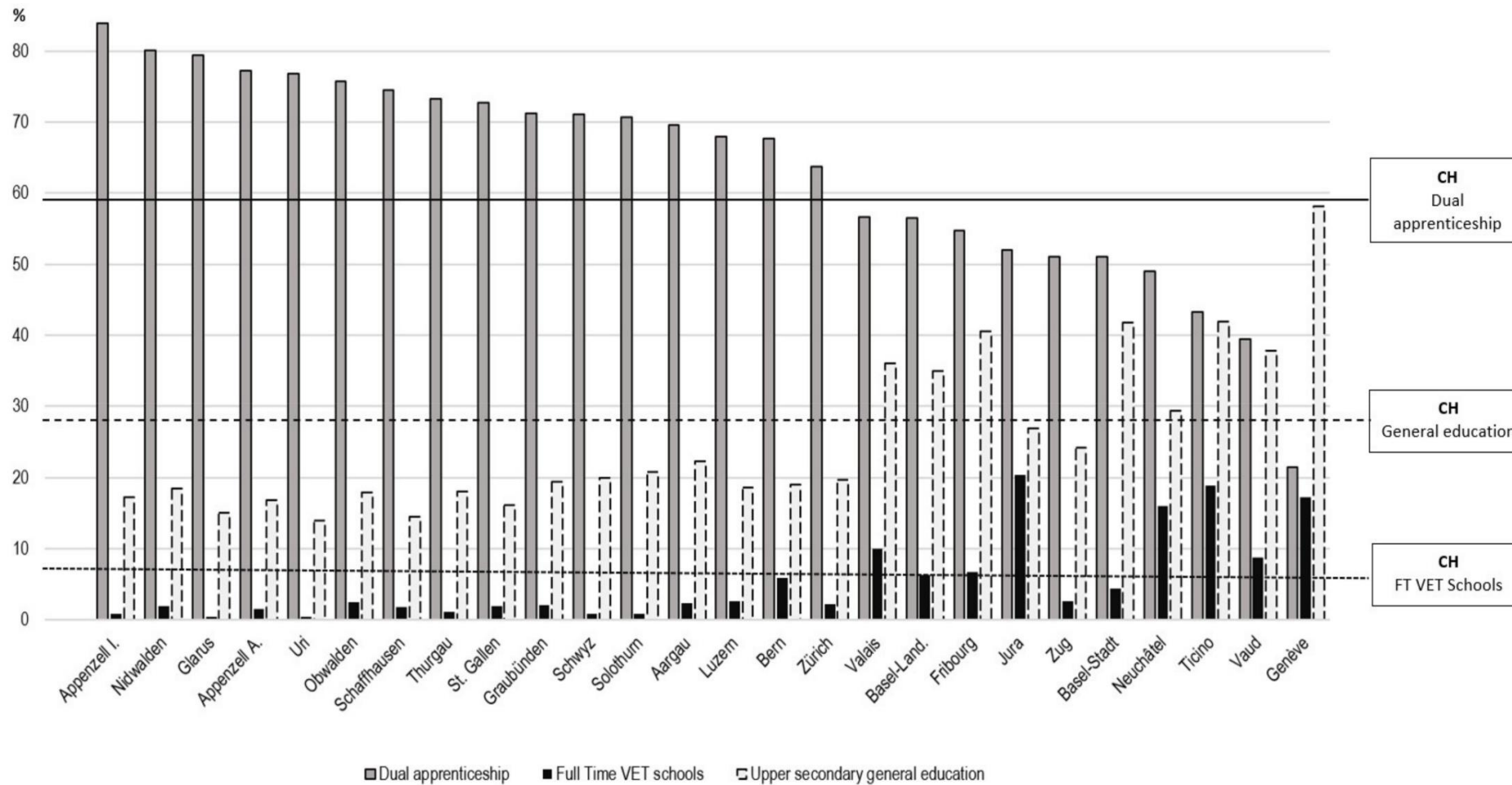
# Key differences at work -

- Swiss system: one mission, three partners built around notion of building a strong economy + confident citizens founded on pride in occupation
- Australian system has consciously attacked notion of 'occupation' and is pre-occupied with meeting short run 'skills need'
- 'Skill needs' are defined in purely technical terms
  - Marginal interest in what the Swiss call 'methodological' and 'social skills'
- This manifest in deep hostility to the role of vocational educators
- It is a matter of 'industry leadership' mediated by doctrine of 'choice' of provider
  - Limited collective employer self-reliance
  - Instead, primarily advanced forms of business welfare dependence have emerged
- Expectation: rely on government and immigration to 'fix skill shortages'
- ***This a legacy of a pre-occupation with human capital and zero interest in mental wealth***

# Swiss system is also highly diverse

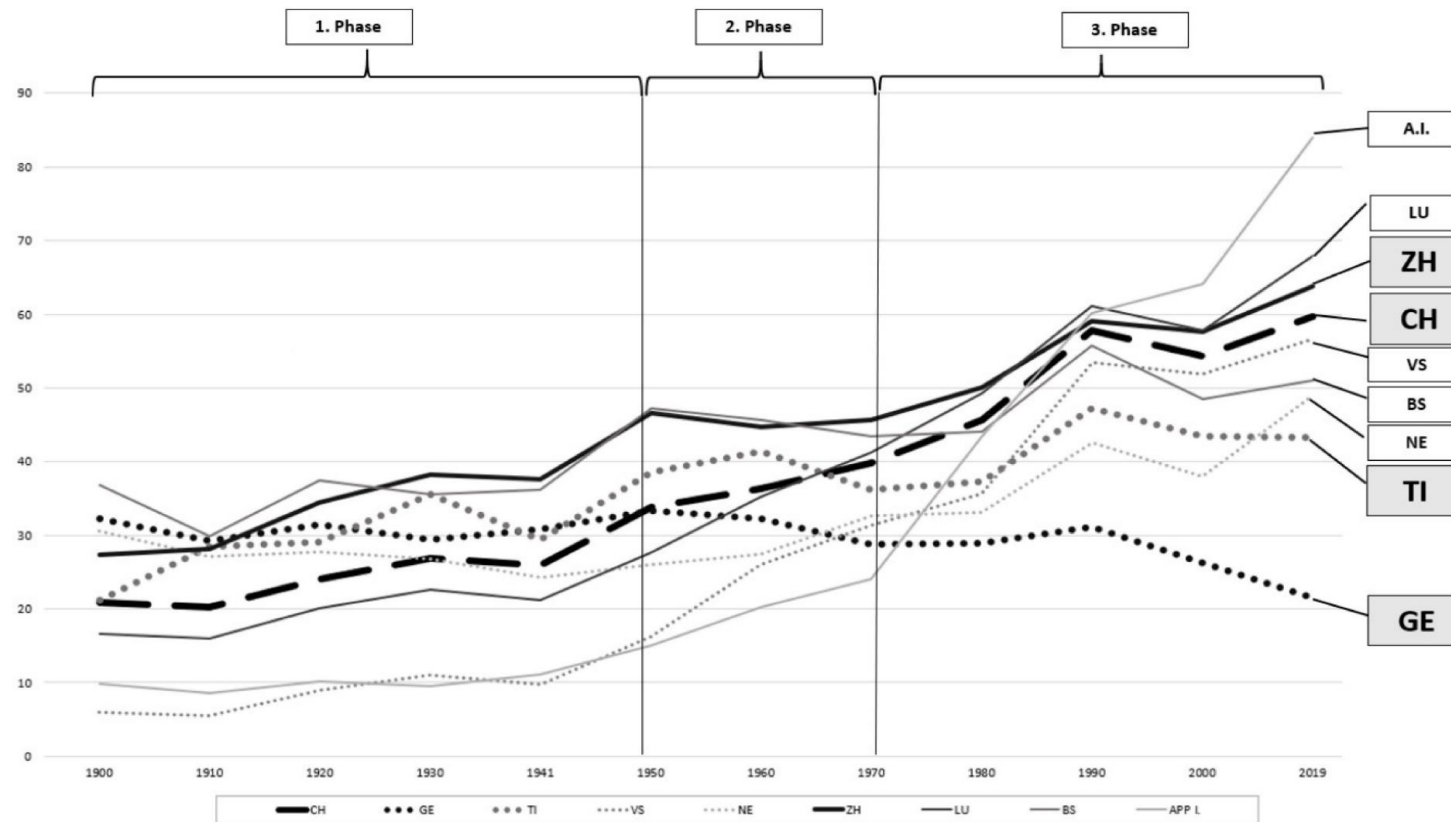
- Australia has been obsessed with a 'national unified' system
- Swiss have used federal diversity as a source of dynamic innovation and strength
  - See next two slides

# Swiss youth, Education status, 2019 (Bonoli et al (2022))



**Figure 1.** Relationship between the number of apprentices, full-time VET school students, general education students and the age group 15–18 in 2019 (Data: Swiss Federal Statistic Office—SFSO, 2021).

# Swiss apprentices, 8 Cantons, 1900 - 2019 (Bonoli et al (2022))



**Figure 2.** The evolution of the relationship between the number of apprentices in CH and in 8 cantons and the corresponding age group 15–18 from 1900 to 2019 (Data: Federal Census; FSO 2021).



# Conclusion and implications

- For much of the 20<sup>th</sup> Century Swiss and Australia apprenticeships had much in common
- Divergence over the last 50 year is instructive
- Real problems with the Anglo-Australian model
  - Focus on short run employer technical need is self defeating
  - Push for national uniformity part of the problem
- Key issue crying out for analysis: employers + mental wealth
  - Under what conditions do employer actively contribute to the development of a nations mental – and not just material – wealth?
  - Need to focus on modern service work – not just male trades
  - Suggested comparison of employers across nations would be especially useful (eg Geneva, Zurich, Singapore, Toronto, Quebec, Johnnesburg, Cape Town, Manchester, Cardiff, Sydney and Melbourne.)

# Attachment: Different learning cultures, (Verdier, 2013)

	Key organising frame				
	Decommodified			Market based	
	Corporatist	Academic	Universal	Market Competition	Organised market
Conception of skills	Overall mastery of an occ'n	Education levels	Reconciled foundational + prac knowledge	Human capital	Human and Social Capital
Nature of program	Determined by negotiation	Subject based standands	Interaction of different kinds of knowledge	NA	Quality procedure
Institutional regulation	Social partners at industry level	Educational institutions	Public authorities	'Market force' [esply employers']	Public regulatory + accred bodies
Funding LLL	Voc Training Schools + individs	Individuals + employers	Public agencies + mutual funds	Direct payment or loans	Training vouchers, individ accounts
Justice principle	Access to an occ community	School based merit	Solidarity + inclusion	Utility of services provided	Fair price for quality.

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