

ADULT EDUCATION AND LOCAL ECONOMIC DEVELOPMENT IN AUSTRALIA

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Abstract

Adult education has not been considered to have had a strong connection with local economic development. Changing economic circumstances for Australia, however, have forced a reconsideration of the relationship of education more broadly to work and economic matters. In so doing it has become apparent that local adult education agencies have had a more intimate connection with this area than has previously been realised. This has become more apparent as the importance of local involvement in the decision making over local economic matters has become more critical. Training for employment, small business development, enterprise education, awareness programs, the encouragement of entrepreneurialism are all aspects of economic development impacted upon by adult education and described in this paper.

Introduction

In 1993 Australia had an election to choose a new commonwealth government. In the process of the election the Prime Minister, Mr Paul Keating made much of the fact that his administration had presided over the most radical period of change in Australia's modern history. He was probably quite right to claim that. An Australian social critic, Hugh Mackay, has suggested that:

...Australians in the last quarter of the 20th century have become a nation of pioneers; some heroically, some reluctantly, some painfully. We have been plunged into a period of unprecedented social, cultural, political, economic and technological change in which the Australian way of life is being radically redefined.

Everything from the roles of men and women, through marriage and the family to the structure of the labour market, the party political process, the Constitution and the racial and cultural composition of our society is being questioned. (Mackay, 1993:6)

Individuals, communities, nations find change difficult to cope with and certainly Australia is no exception. The differences lie in the circumstances.

Until quite recently Australia has been a relatively isolated nation shielded from realities elsewhere by a relatively buoyant economy and consistent markets, stable institutions, a limited outlook towards Asia and a cultural perspective linked it to Britain, Europe and the United States of America. As a result the impact of change within Australia, mainly prompted by rapidly worsening economic conditions, has been more dramatic than it might have been if Australia's economy, culture and institutions had been more permeable and less Eurocentric. Australians have had to embrace new alliances, new neighbours, new ideas, new understandings at bewildering speed. This paper is therefore one of conjecture based on a firm knowledge of adult education and a general understanding of the changes taking place in Australia at this time.

The major changes relating to education and economic development appear to be at least twofold: first, Australians are slowly accepting that education needs to become more vocational or job-related than it has been; and, secondly, members of the community realise that they cannot depend exclusively on federal and state governments for assistance with issues that dramatically affect the quality of their lives such as the internationalisation of capital—rapid inflow and outflow of money and plant with little or no reference to national boundaries—and to effects produced within the biosphere, such as the build up of greenhouse emissions.

Education in Rural Australia, Vol 5 (2) ... 15

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Changing Economic Circumstances

Until recently Australia principally exported agricultural and mining products to the United Kingdom. In the second half of this century there has been a move to expand those markets - prompted by the decision by the UK to join the European Common Market, now the European Union. This cut off a principal and favoured market for much of Australia's produce. But agricultural products have been a declining part of world trade for many years anyway. Other countries have moved to become self-sufficient in food and the movement of unprocessed foodstuffs has diminished relative to other products. In sum, the agricultural business is not as secure as it once was. Mining products, another Australian specialty, compete in a tight market and while Australia continues to find markets for these materials they are subject to fluctuating prices and uncertain demand. Australia's manufacturing industry, built on tariffs, centralised wage fixing and internal markets, has now been exposed to international competition through the removal of tariff protection. Parts of it are struggling to remain competitive while other sections strive to develop new opportunities in radically changed circumstances. For the past decade Australia has been experiencing significant balance of trade problems, with net imports outweighing real expenses. Recent figures indicate that this alarming trend is continuing.

The end results of this economic revolution, however, have been obvious and disturbing. They can be categorised in many ways but from the standpoint of adult education and local economic development, some results of these economic changes have been:

- declining rural employment and degeneration of rural communities;
- declining industrial employment particularly in manufacturing;
- an official 10 per cent unemployment rate, significant hidden unemployment and a massive imbalance in the numbers of out-of-work youth;
- increased patchiness and instability in the location of work opportunities: what were once stable areas for employment are now uncertain as to their economic future;
- some growth in service industries, particularly tourism;
- some populations transfer to what are seen as potential areas of employment, for example Queensland;
- rural to urban drift, particularly of the young in search of work;
- a massive interest in value-added industry in all areas;
- increase in commitment to an education system that supports value-added industries;
- a spectacular increase in the number of young people staying on to finish secondary school who have aspirations to move on to tertiary education;
- an increase in a healthy older population to be supported by government pensions and superannuation schemes.

This is a scenario of change and an uncertain future. President Clinton has said that the much vaunted American recovery looked like being a jobless one. Australia appears to be in a similar position. A report by an Australian economic consultancy (Neales, 1993) suggested that there would be a recovery in five years but that 'the most worrying aspect of the employment forecasts is the sheer lack of large numbers of new jobs emerging'.

Changing Socio-Political Thought

Many citizens are beginning to look more to their own resources and to their own ideas as a way of guaranteeing their future rather than relying solely on centralised governments or market forces. of the market. As governments and the markets are seen to be less capable of determining what occurs in specific regions and communities of rural Australia it is becoming apparent to Australians that if they wish to change things or even to maintain them then their own action is critical.

This point of view that is not accepted readily by Australians who have traditionally looked to centralised institutions for salvation. The non-indigenous settlement of Australia was carried out largely by public servants. Australia was quite an organised settlement under the control of the British Crown compared to, say, the more random and individualistic pioneering of Americans in their country. Large parts of Victoria were inspected by the official Surveyor long before they were actually settled. This form of colonisation emphasised the role of central authorities. Moreover, many early non-indigenous Australians considered their new home as either a temporary prison or as a source of potential wealth to be tapped before returning home. This has perpetuated a myth of non-responsibility, non-belonging and a feeling that if things are bad, the alternative is to move on to some place better.

The difficulty is of course that things do not look much better elsewhere and many people have too much tied up in their lives to sell farms, homes and businesses and uproot their families on the chance that conditions and opportunities might be greener somewhere else. As a woman farmer wrote recently:

During the 1968 and 1982 droughts many tradespeople and farmers went away to work, usually as casual labour or as salespeople. But there are so few jobs available in this recession it is possible that more people have stayed on than would have if work had been available. (Conway, 1993:70)

Whereas once this situation might have led to massive pleas to government for intervention, to alter policies, there is now a dawning understanding that the market is the main decider of matters and that governments do not want to be in charge of everything even if they could be. In fact contrary recent government intervention such as the reduction in tariffs protecting locally manufactured clothing, textiles and footwear, for instance, has been actually detrimental to some communities. It has forced the closure of some businesses, contributed to a decline in others and has reduced the number of jobs available. There is now a gathering awareness that if economic improvement is to be undertaken then ordinary citizens have to take the initiative to commence their own small businesses or to engage in cooperative endeavours.

A Changing Paradigm For Economic Development?

There are encouraging preliminary signs that Australia is developing an alternative economic paradigm. Parallel to the market-driven, internationally-oriented economy is a limited, less growth-oriented system aimed at local people and sustainability, and with a concentration upon small business.

In the absence of a large internal market, Australia's foreseeable economic future is considered to lie in the export of commodities and whatever value-added exports can be developed. It is probable, therefore, that state and commonwealth governments will continue to concentrate on the economic policies that can contribute to those industries and leave local development to local concerns. Under the present recessionary conditions this means that local authorities are likely to continue to support the present paradigm, believing that economic growth is a better chance of developing employment rather than small, sustainable local industry which is not as obvious or as immediate in its employment impact.

There is pressure for an environmentally-friendly, locally-oriented, small-scale, value-added economic system but it flies in the face of accepted wisdom and is unlikely to blossom under the present circumstances. However, if such circumstances and their effects continue to prevail, there may be a forced readjustment of local economic prospects and the means to improving them. One illustration of what might promote this change is the report in a Melbourne newspaper of a country town beset by difficulties.

The Gardenland frozen vegetable factory...has been deserted for almost a year while a local committee of business people and vegetable growers strives for a deal that will put the district back on its feet. The small, east Gippsland town must convince one of the big food processing companies that it can compete with the world in quality and efficiency....The microwave revolution has cut world production and the east Gippsland vegetable crop has no place in the global market unless it meets new international practices. (Elias, 1993)

The hope of that community, and it was the community members that coped with the responsibility of decisions made far away from their participation and control, lay in trying to operate within the international economic system.

Some people left but others stayed, tied by emotional or practical ties to a community and they are looking for other remedies; in part for tourism and there may be a future in that. There will certainly be no future unless the community pulls together and begins to analyse the totality of their options for economic success, including a consideration of the smaller scale economic options that have been mentioned. The situation also requires a reconsideration of the role and relevance of education to economic performance.

Adult Education And Economic Development

In the way that imminent execution concentrates the mind extraordinarily well, poor economic performance and unemployment certainly contrives to have people consider the ways in which all public functions can contribute to the generation of work. Education, of course, has been central to this debate and the role of schooling and tertiary training has been closely scrutinised in order that they might more closely support Australia's general push to improved economic performance and more jobs. Adult education has not had a strong connection to economic development. Until quite recently there was little attempt to make any links between adult education and work. There are many reasons for this in Australia.

Adult education has had a strong liberal tradition. Liberal education by definition was not vocational, not interested in money, in the ways people earned a living. It was interested in values, in truth, in more high minded and idealistic pursuits. Adult education also saw itself as remedial, a second chance for people to get the education they had missed out on earlier. Then, too, women are and always have been a strong factor in adult education. Up until recently curricula offered to women has been quite reproductive, designed to keep women operating in the confined roles of home-maker and more latterly, of employee. Professional teachers, who make up a significant part of the numbers of adult education administrators and tutors, often have little knowledge of, or interest in, business. Finally, that aspect of adult education that is community-based [*that is, administered by local people*] is often organised and run by committee members whose motivations generally lead them to emphases on personal growth rather than economic pursuits (Mason, 1993:112).

But it must also be said that the Australian practice of leaving local adult education in the hand of local people can lead to very rapid and practical responses.

Organised adult education in Australia stems from a long voluntary tradition. Local adult education centres are administered by a community committee and often staffed by just a very few professional people, sometimes two or three only, occasionally as many as 20. These centres usually receive some government funding, but only the minimum needed to guarantee their existence so the organisations can perform the learning work which they consider to be important to their own town or region. One of the main strengths of such community-based adult education is its direct and lively connection with its community. What happens in and to local

areas can be reflected in adult learning programs very quickly and easily. There has been a tendency over the last decade for these agencies to have their priorities dictated by targeted government funding but even so the passion for community control and for an adult education service that serves its community is strong and very effective.

Adult Learning Programs And Local Economic Development

If adult educators generally have not shown much interest in matters economic, this is changing. Adult education interventions in Australia now take, at least, the five principal forms discussed below:

- training for employment;
- small business training;
- training for enterpris;
- awareness programs; and
- encouragement of entrepreneurialism.

Training for Employment

In Australia the knee-jerk response to unemployment has been to spend more money and time on training. Although it is recognised that training people for jobs that do not exist is, in the end, counterproductive it seems that unemployment as a symptom has to be dealt with immediately while the initial underlying disease of poor economic performance is treated with longer term remedies. So training programs for the unemployed play a considerable part in the work of many adult education agencies. In the late 1980s these programs generally were short-term, non-accredited and related to whatever government officials believed to be the appropriate job skills for a particular area. If a region had significant tourist activities then training programs for unemployed people usually focussed on developing relevant hospitality skills. Office work and administration skills also predominated.

The current trend is to move away from short, part-time, non-accredited programs toward longer term or full-time programs that are accredited in some way. A person taking such a program might have the study accredited towards a certificate or be able to use it to enter a formal learning program somewhere else. Whereas once a person might have taken a three-week forklift training course to get a job in a vineyard, now that three-week training is given as a module leading towards a certificate in horticulture qualification. Another trend is to make training and work contiguous. Business and industry are given inducement to take on employees who are also given training in that industry at the same time.

These more recent changes herald a recognition that jobs are not going to eventuate just because people are skilled. Certainly the more skilled people are the better the chances of them obtaining jobs once the economy has improved. But the overall approach is to make Australia a more skilled society and certainly these latter changes, oriented as they are towards the attainment of credentials which recognise skills or competencies gained, will help with that process. It is difficult to attest with 100 per cent validity, however, that such skills will improve local economic development unless it can be argued that certain areas have more skilled people than other areas and thus can encourage industry to decentralise or relocate. Most training programs, are funded by the central government and are less concerned with local need and opportunities than with the overall resolution of the problems of unemployment. Other adult education programs are much more specifically oriented to the development of local economic opportunity, for example by encouraging small business.

Small Business Training

Small business is by far the largest employer of people in Australia. While huge industrial corporations such as General Motors Holden or BHP, still generate most of the headlines in economic matters it is small businesses that hire most of the staff. The skills in setting up a small business have been well documented. Developing a sound business plan, adopting proper accounting practices, ensuring cash flow, undertaking advertising and marketing are skills that can be taught and many adult education agencies teach them. Often such courses are brokered, that is, they are offered on behalf of some other organisation which has done the work of developing the specific curriculum and may often supply a teacher as well.

Training for small business has always been a feature of local economic development and it continues to be so. Surprisingly, however, the recent economic recession in Australia has seen a downturn in the number of people wanting to undertake small business training. This might well be a temporary phenomenon. It might well be because of the expenses involved in attending these programs. On the other hand it may be that the rigours of the economy at the present time preclude people from considering small business start up either because of a fear of failure or the lack of risk capital. Banks have become more selective in their lending policies after the excesses of the 1980s.

Some educational enterprises are now working on developing business incubators. A business incubator is just what it says—a way of hatching small businesses so that they can have the best chance of survival. Incubators have taken many forms; a common one is to encourage a range of very small businesses to locate under one roof with a person hired to give them all advice and support. Services and facilities are shared and charged out evenly and when the business owner is competent and confident he or she can choose to move out on their own and their place is taken up by someone else. Business incubators have proved successful in other countries although they are very much in their infancy in Australia. More attention is being given to enterprise training.

Training for Enterprise

Training for enterprise is perhaps the most interesting area of adult education for local economic development at this time. Communities are attempting to stimulate new people to undertake new small businesses. This is fundamentally different from running small business courses for people who may well be interested in establishing one and have the skills and knowledge to benefit from training. Not everybody can do that, not every one believes themselves to be capable of being an entrepreneur and certainly not every one thinks of attending courses in order to enable them to do that. The Rural Enterprise Victoria (REV) scheme was an attempt to generate and sustain small businesses in areas particularly hard hit by the current economic recession. The scheme was amalgamated into a more broader rural business advice scheme in 1994 but many of the new facilitators still operate to the principles involved in the original REV program. An example drawn from one such facilitator is illustrative of the power of such work.

Bill worked as a facilitator in an area of significant European historic interest in Victoria, a region of massive mineral wealth over a 100 years ago but which has now declined to the point where official unemployment is about 30 per cent and young people leave the area because there is just no work for them. Farms are only moderately productive and tourism, although strong in potential, remains relatively undeveloped. One of Bill's first clients was a man who had been a shearer until his health deteriorated. He had few qualifications to make him employable even if there were work available. He lived on a small farm with his wife and family. Bill worked with this man on and off over a period of many months before an idea began to germinate about how he might begin to make a living. To cut a long story short the man developed a yabby farm. Through encouraging the ex-shearer to survey the potential market for such produce and giving

him advice on how he might go about setting up a business of this nature, Bill was able to help him develop a sustainable business which has made him and his family independent.

This form of adult education is very personal and individualised. It requires time and a great deal of energy and resources to support. It capitalises on the latent entrepreneurial ability within most people by slowly feeding their potential over time with advice and information. It is criticised as a community development activity because its impact is slow and some would argue that, against the expense of providing a facilitator, the results are meagre. Compared with the great expense in providing training for jobs that do not exist, its outcomes are extremely valid and worthwhile.

Another significant adult education program in Australia based more on formal learning processes is the New Enterprise Initiative Scheme (NEIS). NEIS has been designed for long-term unemployed people. It enables them to undertake extensive training in small business development and, if their business plan is assessed as being viable, to launch such a business with ongoing support. To be eligible, unemployed people must have a business idea to start with and if they have not then they are quickly encouraged to get one. Various ideas are put forward to a community panel of small business people and the 20 applicants judged to be the ones most likely to succeed are then given the training and support to develop their ideas further. Their proposals are subject to further scrutiny and only a select group are able to launch their businesses with monitoring from business people within the community. The results of such programs have been very good although this scheme also has been criticised for being slow, expensive and meagre in results.

Part of the assessment difficulty here is the problem of the paradigm alluded to above. Within local economic development in Australia is a view that the main way to generate local employment is to encourage medium size businesses to start up or relocate and that the main benefits to flow from such activities will be employment opportunities for local people. This is becoming a very competitive activity as local government areas and even state governments compete with each other to locate or relocate businesses in their regions. Businesses in their turn are able to extract very good terms and conditions, such as reduced rates and taxes, in return for siting their activities in a certain area. No doubt this activity works and it has an advantage of being more visible and newsworthy than quite small businesses that often succeed only in keeping families together and independent. People are often ignorant of the real ways in which the economies of their communities actually operate and that leads us to a fourth role for adult education programming: building awareness.

Awareness Programs

When it is summertime in Australia and a bushfire is roaring up the nearest hill towards their homes many Australians are suddenly keen to know about bushfire protection. At all other times getting such information out to the public is not easy. Similarly with local economic development. When times are good most people take the economy for granted; when times are hard many folk are eager to know what went wrong. Adult educators have catered for this by running a range of awareness programs, from those that encourage people to understand quite specifically how money and resources interact in their community to those that look at the specific potential of certain industries and how they can be improved.

An illustration of such a comes from a Victorian town where some local people were quite surprised to find that one-third of the homes in their town were owned by absentee landlords as holiday homes and their economic contribution to the area in terms of money or people, was negligible. They formed a group to find out other aspects of the local economic condition as a prelude to doing something about that issue. But that is only one small example of such work. Programs of this nature can focus on many issues from road and financial infrastructures to analysis of how money circulates and what specifically it is used to purchase—in other words

what resources have to be purchased from outside the region and whether they can be replaced with a local business. The most successful programs appear to be those that give people knowledge of their conditions and opportunities to discuss them and act to change them.

Sometimes these programs take the form of conferences and workshops. In the eastern Gippsland area, one community got together to learn how they could maximise one of their precious resources, timber, and use it to produce value-added goods through local businesses. The program concentrated on providing training in the production of small items—craft goods, furniture, tourist bric a brac, that could be produced and sold within the region or perhaps in other parts of the state. This was only a small exercise and results were not large. It was, nevertheless, a start and one that was effective in enabling some people to get started in small businesses that they had not considered before.

Encouragement of Entrepreneurialism

The fifth principal form of adult education for economic development is the encouragement of entrepreneurialism: the capacity of people to turn knowledge and skills into goods and services for the market. Adult education programs provide such skills. It is believed by some, for instance, that the next employment wave in Australia will be in the area of household services. In a developed economy such as Australia's, one of the most significant social factors in the last generation has been the movement of women into the paid workforce. This means that the traditional family pattern of male breadwinner and a wife at home to look after the children and the domestic chores no longer exists. Women and men are both in the paid workforce. So who does the work in the home? Mainly the women who therefore do two jobs. But the willingness of women to do this is faltering, understandably, and an answer lies in using some money from the two incomes to buy services that used to be done by household members. The skills involved can be taught if they are not already known and adult educators are organising courses to enable that to occur. People are learning skills in these services and turning them to the generation of income. This is one deliberate form of encouragement to enterprise.

Other entrepreneurial ventures begin by chance. Many people take adult education courses and then use the skills learned to make a living; even if that was not their intention in attending the course in the first place. With the decline of full-time paid work in Australia such options are becoming more and more important.

Conclusion

It would not be true that Australian adult educators are continually involved with the pressures of local economic development. It is for some, a marginal activity but one that is becoming more important. Nor is there a great deal of government support for such activities. Training programs for unemployed people are indeed strongly supported for Australia and with 10 per cent unemployment that is hardly surprising. But government support for programs of local economic development is always at risk and every change of government brings new worries about the future of the REV and NEIS schemes and other such endeavours.

This paper indicates why adult educators have not been conspicuous in local economic development in the past and why they may well be more closely involved in the future. Moreover it indicates that community interest in such matters is also growing. What is needed to make the connection between adult education and economic development more viable is for there to be:


- further recognition of the worth of small business and enterprise in the development of local economies;
- a broader understanding of the importance of the civil community in the promotion of local business survival;

- a greater understanding of the role adult education can play in such a development;
- closer connection between local authorities and the adult education sector;
- more appreciation by government of the utility of such work.

Adult educators in Australia are taking up the challenge, but they need closer partnerships with other agencies including government to achieve the most successful results.

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