

Education for decent work under the New Australian International Development Policy

Submission to the Development Policy Review

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Summary

This submission is in response to the request by the Australian Government for inputs into the design of a '[New International Development Policy](#)'. I submit that greater support for education of youth from the Pacific islands leading to a single and deeply integrated labour market between Australia and the 15 members of the Pacific Island Forum (PIF) provides an opportunity to reduce poverty, increase economic output, and cohere the people of the Pacific islands with Australia. Specifically, I submit the following in the design of the new development policy: (i) increased emphasis be placed on lifting the quality of early childhood education and development; (ii) tertiary qualifications acquired in the islands be assessed for accreditation in Australia; and, (iii) the costs of tertiary education be funded with loans from the public sector within the modality of the Australian Higher Education Contribution Scheme (HECS) or the Fijian Tertiary Education Loans Scheme (TELS). International accreditation of qualifications will facilitate international mobility of workers, and the income earned from such employment could fund the upfront costs of training. Education for work provides the incentives for upskilling and the funds to pay for it: the two together create the market for supply of quality education at source.

1. Background

Universal access to education by children across the globe is considered a priority. The international community through the United Nations reached a consensus on 17 [Sustainable Development Goals](#) (SDGs). The first of the SDGs is "to end poverty in all its forms everywhere" including the target of [eradicating extreme poverty by 2030](#). The fourth goal is on quality education, with the target that all children by 2030 "have access to quality early childhood development, care and pre-primary education" and they "complete free, equitable and quality primary and secondary education". The eighth goal on 'decent work and economic growth' has the target of achieving "full and productive employment and decent work for all women and men" by 2030. This submission is on how the 'New Australian International Development Policy' may facilitate progress on these three SDGs for youth from the Pacific islands. The submission draws on more than three decades of my research and lived experience on the value of education and employment in lifting households out of poverty.

Australians are fortunate in having an economy endowed with rich natural resources and institutions able to translate these into high incomes for most of the population. The onus is on the fortunate (like us) to assist those left behind. Amongst those left behind are many First-Australians, thus the lessons from this submission apply equally to them. However, my focus in this submission is on the youth from 14 small island nations that comprise the

Pacific Islands Forum.¹ Papua New Guinea, a nation of some 9 million people, has particular significance to Australia given its colonial past, the geographic proximity, and the poor record on most measures of development. Bougainville, an autonomous region of PNG, is particularly important for the new development policy given the legacy of conflict that has its origins in gold and copper mining that began during the colonial rule by Australia.

Australians have been generous with the quantum of official development assistance (ODA) delivered to Indonesia, PNG, and the Solomon Islands. The effectiveness of this ODA however has been difficult to judge partly because the counterfactual in terms of what would have prevailed in the absence of such support is difficult to contemplate. Some have argued that without aid, basic services in Papua New Guinea would have collapsed. Others point out that the large transfers of aid have created dependency, thus dissuaded self-help. But there is consensus that the Australian-led peacekeeping missions in Bougainville and the Solomon Islands prevented greater loss of life and property even when these were disastrous to begin with.

Looking forward, I submit that the 'New Australian Development Policy' must be framed around the 17 Sustainable Development Goals (SDGs). I also submit that the effectiveness of Australian ODA must be judged against tangible progress made on each of the SDG targets. As the largest donor to the Pacific islands, the effectiveness of Australian aid will be judged in terms of progress made on the SDGs. This is because the international community sees the Pacific islands as being part of Australasia, the islanders themselves hold similar views, and the benefits of a peaceful and prosperous neighbourhood spills onto Australia.

My focus for this submission is on two specific SDGs: access to quality education (SDG #4) and to decent work (SDG #8). Section 2 explains the role policy has in improving access to quality education, Section 4 discusses the importance of education for employment, and Section 5 presents a model that may be used to sustainably finance tertiary education.

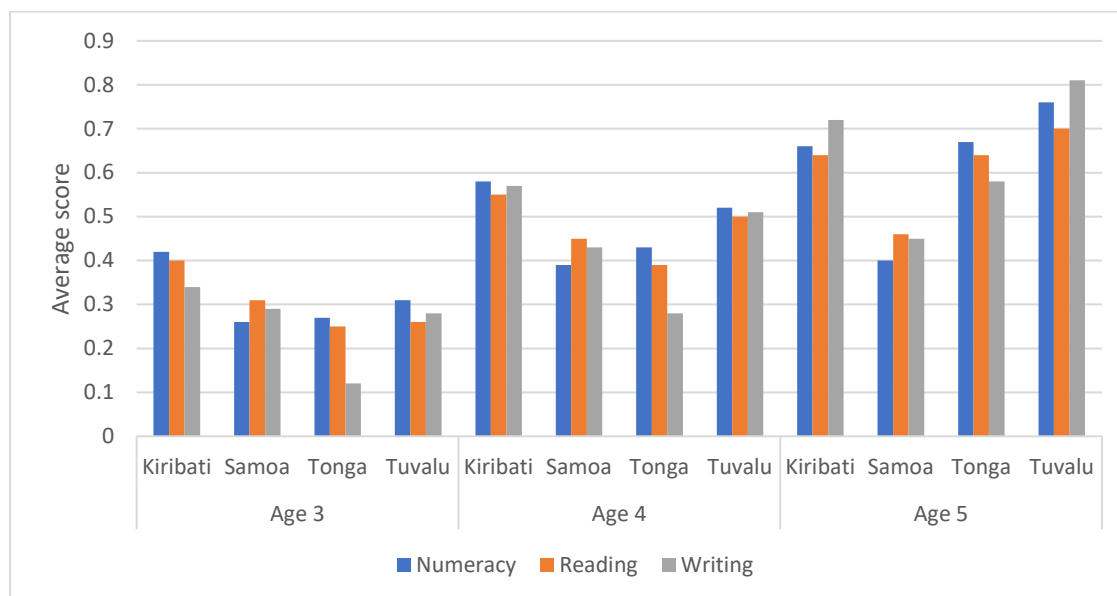
2. Quality education for youth in the Pacific Islands

Education is a cumulative process, meaning that performance in the higher grades in school is dependent on the foundations built in the earlier years of schooling. An implication of the above is that children who miss out on early childhood education (ECE) are short changed of the fundamental skills of numeracy, literacy, and writing (i.e., the 3 Rs of education) that in turn harms their performance later in school.

Children in the Pacific islands underperform their peers from elsewhere on the 3 Rs of education. Measures of the early Human Capability Index (eHCI) developed by the World Bank shows that less than half of 3-year-old children from the Pacific islands can read, write, or do simple arithmetic. While these competencies improve with age as shown in Figure 1, they are still short of the norms expected by age 5.

¹ The members of the PIF include Australia, Cook Islands, Federated of Micronesia, Fiji, French Polynesia, Kiribati, Marshall Islands, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, and Vanuatu.

Figure 1: Early Childhood Education is failing the children of the Pacific islands



Source: Measuring early child development in low- and middle-income countries: Investigating the validity of the early Human Capability Index (Sincovich et al., 2020).

Children from the Pacific islands under-perform their peers from nations at a similar level of development in primary and secondary school. This is evidenced by some recent analysis using data from Pacific Island Literacy and Numeracy Assessments (PILNA). Ongoing analysis of this data shows that children from rural and remote regions and those from poor households are the worst affected.

Access to schooling is also poor in some of the Pacific islands. While most students complete primary and high school, a significant proportion fail to complete upper secondary. Surveys suggest many reasons for students dropping out of upper-secondary education including the high costs of education, the large distance to school, and the perception of a low rate of return to education.

A consequence of poor access to quality education is rising income inequality. Poor and poorly educated parents tend to have children who drop out of school early thus perpetuating income and educational disparities across generations. High school costs, fewer schools, and poorly qualified teachers in rural and remote (outer island) districts in an environment where progress into the higher grades is conditional on passing national examinations handicaps children from disadvantaged families from completing school. Consequently, the rates of school completions amongst families tends to be correlated across generations.

The handicaps from poor education have risen over time. My illiterate mother could survive her time, albeit with considerable struggle but the same is inconceivable now. An illiterate (or even a poorly educated) child will struggle to function with the emerging technologies of the 21st Century, or the demands of the modern world. But many children from across the Pacific islands are missing out on quality primary and secondary education. Nearly one half of the children of Bougainville were not in school altogether as of 2011 (S. Chand, 2011)!

The New Australian International Development Policy must support design of interventions to lift performance in schools beginning with Early Childhood Education and Development (ECED) through to upper-secondary school.

3. Education for employment

A youthful and educated population can be a resource for development. Most of the Pacific Island nations have a young population, thus the challenge is in upskilling them for 'decent work' at home and abroad. The international labour market may provide richer employment opportunities given the higher wages overseas, the rising demand for workers in the rapidly aging populations of much of the developed world, and the limited opportunities on offer at home from small and fragmented domestic labour markets.

Policies could be targeted at upskilling the youth for decent work at home and abroad. Equipping youth with the skills in demand has the potential to raise incomes for the source and host nations and deliver high-paying jobs for the workers themselves. My own lived experience is a case in point, having grown up on a farm in a family with modest means in rural Fiji. Education (through loans and scholarships) enabled me to leave home for work as an academic in Australia. Mine is far from being a unique case as many migrants have similar stories to tell.

Human resource planning is the responsibility of the government. The new aid policy may be used to support research and dissemination of information on the value of education and the jobs of the future. Such information is necessary for upskilling of youth now as neither the youth nor their parents have this information at hand. That is, upskilling for decent work requires information on future labour market opportunities. Additionally, the youth must have had the schooling for upskilling, the facilities to undertake the upskilling, and the means to fund the upskilling. Upskilling may be provided by either public or private institutions, however local access to such institutions is critical.

International recognition of qualifications will facilitate mobility of skilled workers. The Australia Pacific Training College (APTC) was created for this purpose but has had limited success (Satish Chand, 2019). It is urgent that alternatives to the APTC for delivering Australian qualifications within the Pacific islands is considered. The New Australian International Development Policy must reconsider means to assisting youth from the Pacific islands acquire internationally accredited and employable skills.

4. Funding education sustainably

Incentives can be created for local training institutions to provide the services to enable youth to upskill for decent work both at home and abroad. I next explain how the market may be used to supply, sustain, and resource upskilling of youth from the Pacific islands. To begin with, assume that the public sector has provided information on skills in demand (explained above), regulatory barriers to international mobility of skilled workers are minimal (explained below), and that all training providers operate for profit (for sustainability).

A loan scheme modelled on the Australian Higher Education Contribution Scheme (HECS) and the Fijian Tertiary Education Loan Scheme (TELS)ⁱ could be used to fund the training.

The loan is repaid from the income earned from the decent work that the youth secure following graduation. The risks of non-repayment of the loan and that of the grant of substandard qualifications could be shared between the clients and their providers, making the scheme competitive, profitable, and thus sustainable.

The New Australian International Development Policy could consider design of a loan scheme like HECS to allow Pacific islanders gain internationally accredited and employable skills. Access to HECS (or similar) could be provided as a voucher to the prospective candidate for use with accredited providers only. The providers in turn would be encouraged to compete for their clients. This will create a competitive market for upskilling.

Finally, the Australian government could initiate the creation of a regional market for skilled workers by establishing a Pacific skills visa. Such a visa could allow graduates in demand to move to Australia for employment – a concept that could be adopted by the other members of PIF. The details of such a proposal are contained in Satish Chand, Clemens, and Dempster (2021).

5. Conclusions

I have argued for the New International Development Policy to consider support for progress on two sustainable development goals for youth from the Pacific islands: namely, access to quality education and decent work. Specifically, I have argued for support towards design of interventions to improve access to quality education, internationally accredited qualifications, and opportunities for foreign employment. The new development policy can assist in the design of interventions to improve access to quality education while income share agreements can be used to fund internationally accredited qualifications for decent work.

An educated and internationally mobile population able to secure decent work will “reinforce the foundations of a peaceful, stable, and prosperous Indo-Pacific”. The references to my work given below provide additional details on the role the proposed Pacific Skills Visa could play in seeding and sustaining upskilling for decent work.

References

- Chand, S. (2011). *Data collection in difficult environments: measuring economic recovery in post-conflict Bougainville*. Paper presented at the Civil-Military Effectiveness: Building Tomorrow's Capabilities, Sydney, Australia.
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- Sincovich, A., Gregory, T., Zanon, C., Santos, D. D., Lynch, J., & Brinkman, S. A. (2020). Measuring early child development in low and middle income countries: Investigating the validity of the early Human Capability Index. *SSM-population health*, 11, 100613.

ⁱ TELS was introduced in 1977, thus predates HECS that was introduced more than a decade later – a fact not known to many commentators on HECS.