

RESEARCH AND VET DECISION-MAKING: FEBRUARY 1997 SYMPOSIUM



Edited by

Chris Selby Smith



U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND
DISSEMINATE THIS MATERIAL HAS
BEEN GRANTED BY

*T. Borrett for
C Selby Smith*

TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)

1



MONASH UNIVERSITY • ACER

CENTRE FOR THE ECONOMICS OF EDUCATION AND TRAINING

2006/178

RESEARCH AND VET DECISION-MAKING:
FEBRUARY 1997 SYMPOSIUM



Edited by

Chris Selby Smith



MONASH UNIVERSITY - ACER

CENTRE FOR THE ECONOMICS OF EDUCATION AND TRAINING

ISBN 1 876496 00 2

Published by
Monash University-ACER *Centre for the Economics of Education and Training* (CEET)
1998

Copies available from
CEET, Faculty of Education, Monash University, Clayton, Australia 3168
Phone 03 9905 9157 Fax 03 9905 9184
email: val.newson@education.monash.edu.au

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without written permission from the Executive Director of the Monash University-ACER Centre for the Economics of Education and Training, c/o Faculty of Education, Monash University, Clayton, Victoria, 3168, Australia.



This project has been assisted by the Commonwealth Government through the National Research Advisory Council of the Australian National Training Authority.

Session 4 Research and Researchers' Perspectives: From the Viewpoint of Other Sources of Research.

Bruce Chapman¹

Speaking Notes

Two sets of material were prepared by Professor Chapman for the symposium. Part A is what he spoke to at the time, while Part B sets out some points which he felt might be helpful for the wider Impact Project. He stressed that he approached the issues under discussion as an economist, as an academic and with an interest in policy, but without having done much detailed research work on vocational education and training. He drew on his experience and sought to draw out common features, even though the subject matters were quite different: development of the Higher Education Contribution Scheme (HECS) and the Job Compact, a Federal Government initiative which provided a job guarantee for long-term unemployed people. (Editor's note).

PART A

Practical Lessons Linking Research to Policy

1. Make it simple to present: "their simplicity is their power":
 - (a) Long term unemployment projections: if the economy does badly, and the government did nothing, long term unemployment (LTU) would rise greatly. Even if the economy did reasonably well, LTU would not fall much. The projections demonstrated in the simplest way that LTU was a major problem.
 - (b) Graduate relative salaries: a very simple picture which is reflected in virtually all advanced countries. A clear advantage: about \$600-\$700,000 extra earnings over the life cycle compared to non-graduates.
2. Explicitly consider the distributional consequences: in economic terms one needs to consider who gains and who loses:
 - (a) Who are the long term unemployed?: they tend to be the particularly disadvantaged groups and individuals.
 - (b) Who goes to university? They are disproportionately from advantaged socio-economic backgrounds; while university graduates earn more than the average worker. If your father was in a professional or managerial occupation your chances of enrolling in higher education in the 1980's were four times greater than if your father was in a less advantaged socio-economic occupation. If your parents were from an unskilled or semi-skilled background, 22% of the university cohort were from that background, whereas if the proportion equalled that in the population as a whole, it would have been about 50%.

¹ Director of the Centre for Economic Policy Research at the Australian National University, Canberra.

3. Be sensitive to the budgetary implications. At present there are “fiscally parsimonious governments” throughout the OECD. They want to be seen as low tax, they want to be seen as low spend governments.
 - (a) The job compact calculations were approximately revenue neutral overall. That debate within the process was quite important in the adoption of the policy, especially with Finance and Treasury.
 - (b) With hypothecation of HECS revenue the extra funds were all to be used for growth in the higher education system. There were big queues for entry into higher education at the time. Hypothecation was important in relation to the politics of the public debate. Over 1989-95 the higher education system grew by about a third.
4. Stress inherent fairness:
 - (a) All taxpayers pay for university but only 15% attend. Is this fair? And students only had to repay the loan when they were earning above the average level of income.
 - (b) The long term unemployed lose in a recession, but don't gain in the recovery.

PART B

Practical Lessons from the Direct Policy Experience of a Researcher

- A. For researchers wanting to influence the policy process:
 - (i) be very sure that your conclusions are correct;
 - (ii) be aware of the broader politics, and be able to illustrate how the specific project fits into the bigger picture;
 - (iii) be explicit about efficiency and distributional impacts; and
 - (iv) take account of (or at least think about) the broad budgetary implications (ie. cost) of initiatives.
- B. For researchers directly involved in the policy process:
 - (i) respect the skills and professionalism of senior bureaucrats - in many areas they will know much more than the consultant (ie. you);
 - (ii) know the agenda of the Minister:
 - if it is consistent with research illustrate this in presentationally uncomplicated ways;
 - if it doesn't seem correct in a research sense, point this out (in context);
 - (iii) take notice of bureaucratic political matters (eg. Department of Social Security v Finance v Department of Employment, Education and Training);
 - (iv) present material in ways such that people with no experience can understand the policy point; and
 - (v) forget your ego.