

ACTE/IVETA INTERNATIONAL CTE FORUM

DISCUSSION SUMMARY AND FUTURE AGENDA SETTING

September 18, 2008 @ Alexandria, VA

Objective:

On September 18 an august group (see attached list of participants) met to explore ways in which the United States can increase the export of Career and Technical Education (CTE)¹ education goods and services to other countries. Following introductions, Janet Bray (ACTE) and David Fretwell (IVETA) outlined the objectives for the meeting, to identify:

1. **Issues:** Is increasing the export of career and technical education (CTE) goods and services is and should be a concern to the profession?
2. **Opportunities:** What are the opportunities to export US CTE goods and services internationally?
3. **Barriers:** What are the barriers to the export of US goods and services internationally?
4. **Roles:** What is the role for different US CTE institutions in promoting and increasing the availability of a knowledgeable and skilled workforce internationally?
5. **Priorities and Avenues:** How can we increase the US participation in assisting other countries with development and reform of CTE?

Context and Issues:

- **Economic Development:** It is generally accepted that the economic development equation has three broad inputs: (a) physical resources, (b) financial capital, and (c) human capital. CTE, along with basic education and higher education, is one of the key actors in ensuring appropriate human capital is available. In addition, CTE can be a major contributor to social development, by opening career pathways and ladders, and contributes to political stability by addressing unemployment and poverty issues. It is noteworthy that Human Resource Development (HRD) services have recently recognized as a commodity under the GATT.
- **Globalization:** This globalization process has resulted in countries increasingly being linked economically, socially, and politically. When a problem develops in one country it increasingly affects others (i.e., the current US financial crisis, poverty which is the major focus of World Bank financing)². Globalization is also entering a new phase with companies in emerging-market-economies now competing against rich country ones. Globalization used to mean that business expanded from developed to emerging economies, now it increasingly flows in both directions³

¹ It was noted that the term CTE is not well recognized internationally and the term technical and vocational education (TVET) is more internationally recognized and should probably be used in international discussions.

² The Bank estimates that in the next 25 years, two billion babies will be born, and 97% of these will be born in developing countries.

³ It is estimated that one third of the Fortune 500 companies will be from emerging market companies within 10 years (Economist Sept 20, 2008)

- **Competition:** The European Union, Germany⁴, UK, Australia, Ireland, Canada⁵, and other developed economies are aggressively marketing their HRD goods and services worldwide with the understanding that such exports have both short and long term economic, trade, social, and political benefits for both themselves and recipient countries. Meanwhile the US direct involvement of US CET institutions in delivering CTE goods and services both domestically, to international clients, and overseas, appears to have declined over the past 10 years. And, within this context, the US trade deficit in the last 12 months was a negative 844 billion (-2.5% of GDP) in 2008) while the German trade was a positive 285 billion (+1.1% of GDP).

Opportunities:

- **Shifting Focus:** In the past 10-15 years there has been a major focus on financing the development of basic/primary education internationally due to international agreements on the Millennium Challenge Goals. However lower income countries are increasingly reaching full enrollment in primary schools, secondary education is becoming compulsory in many middle income countries and most upper income countries, and the level of technology is increasing in the workplace. Because of these trends countries realize that their large cohorts of youth entering and exiting secondary schools, and adults already in the workforce, need enhanced CTE if they are to gain/retain employment, increase productivity, and contribute to economic development.
- **CTE - International Demand and US Supply:** A review of a broad range of bilateral, multilateral, and nationally financed CTE projects, and participation in sector analysis and related conferences and symposia, indicate that there is a strong international demand for services. These services often support CTE policy and program initiatives in areas where the US is a leader. These include, but are not limited to: (a) reform of secondary vocational education, moving toward the career cluster concept which is strongly supported by the World Bank, and being implemented in a number of countries; (b) career guidance and counseling, where the US is a leader⁶; (c) CTE governance and financing, where the US emphasizes employer involvement and uses a multi channel approach to financing, as opposed to a “one size fits all” approach; (d) occupational standards and assessments, and related modular curriculum development, where the US is the world leader; (e) post secondary technical training, where the US Community College model, linked with economic development and adult continuing education, is a unique and exportable model; (f) entrepreneurship training, as an integral part of CTE, a US specialty; and (g) career pathways and articulation agreements where the US is a leader internationally while the EU is promoting “national

⁴ Germany has a special HRD export initiative called IMOVE.

⁵ The Annual Report of the Canadian International Development Agency, on the last page, often has a table showing CIDE funds going to other countries, and the level of Canadian exports to these countries.

⁶ The OECD, World Bank, and EU just completed over 40 country case studies and developed related policy papers.

qualifications frameworks” which attempt to replicate ideas that have been in use in the US for over 30 years (but are not well marketed or understood internationally).

- **CTE International Development Financing:** Contacts with other countries, and staff at multilateral development Banks (i.e., World, Asian, Inter-American Development Bank), the European Union, International Labor Organization indicate that CTE is increasingly a major focus of development financing. The Millennium Challenge Corporation (MCC) and USAID, although not major international financiers of CTE, note the same trend. In addition to bilateral and multilateral funding, the oil producing countries in Central Asia and the Middle East are financing their own multi-billion dollar CTE development programs⁷ In summary, the issue is often not a shortage of funds to finance development of CTE, but a shortage of well qualified international CTE institutions willing to deliver the goods and services – particularly US institutions.
- **Incoming vs. Outgoing:** It is important to recognize the “rate of return” on assisting international CTE professionals to come to the US for short and long term training, as well as export CTE goods and services. The former can play a major role in stimulating the latter, and can strengthening social, economic and political ties between other countries, at a moderate cost. The Institute of International Education (IIE) tracks all outgoing and incoming training programs⁸ and notes that the estimated direct return to the US economy each year, as a result of individuals coming to the US, is USD 14 Billion and that 66% of these funds are financed from non US sources. Finally, the US education and training system (in particular the tertiary system) while sometimes not well understood internationally, is generally looked to as a positive model in many international circles.

Barriers – Real and Perceived:

Discussion within the group highlighted a number of barriers including, but not limited to:

- **Branding:** The lack of clearly branded, marketed, and easily understood US national system of education and training, and national curriculum in the U.S., is a barrier to other countries which are attempting to see through the messages being shared with them by the US institutions. Other countries, particularly those with a more standard national system (i.e., Australia, Germany) brand and market their systems in a more cohesive manner. However, it should be noted that Canada, which does not have a national Ministry of Education and operates a number of quite independent Anglo and Francophone systems at the Provincial level, exports CTE quite effectively internationally.

⁷ Qatar, the Emirates, Saudi Arabia, Kazakhstan are making multi-billion dollar investments in CET and are purchasing related goods and service

⁸ IIE, Open Doors Annual Report, 2007, New York

- **Federal Support:** The Federal Departments of Education (DOE) and Department of Labor ((DOL) are restricted to spending money on international activities to those which furthers U.S. education/training interests. However, the DOL does have a narrow international mission, but not in CTE, and has bid on and implemented World Bank and Saudi Arabian financed CTE programs in the past. The DOE is sponsoring a conference in Cairo for Middle East and Northern African countries in December. And, the US has rejoined UNESCO and is a member of the ILO.
- **Niches:** Many CTE national and state CTE organizations, currently working with or hoping to work with other countries, have market niches (i.e. Standards and assessments, secondary or post secondary level CTE, research, curriculum development, leadership, etc.) And are not in a position to provide the broad spectrum of CTE products and services which are often requested by international clients. In addition, it takes significant staff hours to track and respond to bids for goods and services, and the success rate is not 100% (perhaps no more than 1 in 3 proposals are funded). Finally, a number of major firms (i.e. RCA, Westinghouse, Vinnel, and the National Center for Research in CTE), which were extensively involved in the export of CTE services in the 1980s and early 90s, have largely dropped out of the field. However, private companies are filling niches related to their own product lines (i.e. CISCO, Ford, Caterpillar, and Microsoft) and are directly exporting CTE goods and services. But they do so in narrow niches which do not address national CTE policy and program development issues in projects being requested by other countries and financed by donors.
- **Internal Competition:** US suppliers of goods and services are often very focused on domestic issues, particularly State level institutions which are often more comparable administratively, than the US Federal system, to CTE systems in other countries. And, even when US institutions respond to international contacts they do not always reach out to other suppliers which could strengthen their proposals and competitiveness (i.e. US firms often compete against themselves, as opposed to joining forces with other national and international suppliers as bidders often do in other countries).
- **9/11:** The 9/11 incident with related visa complications, attitudes toward some foreign nationals, and reduced interest from some other countries accepting assistance from the US, has created real and/or perceived barriers to the export of US HRD goods and services, particularly in the Middle East where there are major investments in CTE. However, IIE figures show that the number of individuals coming to the US for training, particularly in higher education, has rebounded in the past several years in many but not all countries, as has related USAID funding for such training. This 9/11 incident, has presented an opportunity for other countries which they are exploiting⁹.

⁹ Germany has essentially replaced the US in supply of CTE services to Saudi Arabia, and is very active in the Emirates, Canada, Australia, and New Zealand is also very active.

- **Cost:** The cost of US goods and services, particularly travel time and cost, is a factor in export of CTE services. However, the decline of the US Dollar against the ERUO and other currencies has recently made US goods and services more competitive.

Priorities Roles:

The roles of various federal, state, local, public, private and NGO CTE actors are hard to define precisely, but the following attempt to summarize some of the general concepts discussed.

- **Federal Agencies:** As noted previously, the DOE and DOL are not in a position to provide direct support to the marketing of US CTE goods and services, but can and do act as a broker to bring international, State, and local CTE professionals and institutions together. The DOE and DOL are the natural point of contact with their counterpart agencies in other countries and have a role in UNESCO and the ILO. However, in discussions of national governance and financing it is critical that representatives from Federal agencies be available to support actual implementation of some international CTE projects. The Department of State, via USAID and the MCC, can and does provide direct support to CTE international initiatives. This support is limited in scope, but can have a major leveraging effect, if linked with other funding (e.g., the World Bank and EU funding in Namibia, which is linked to MCC funding). If the MCC funding is implemented by a US firm, the firm is in a strong position to obtain funding from the other partners. Finally, it was suggested that contacts be made with the Department of Commerce, and the US Trade and Development Program, to ascertain if they could provide direct support to strengthen branding and marketing of US CTE goods and services, tracking and monitoring financing of CTE investments, and developing a consortia of US firms to bid on international CTE projects
- **State Agencies:** State funding policies often have similar restrictions as federal agencies and as such State involvement in international CTE is often limited to a brokering role, to bring consortia and international contacts together. However, economic development initiatives linked with Community Colleges in some States may provide an opportunity for more active State level involvement in international CTE. And, in discussions of governance, financing, curriculum development, and assessment it is critical that representatives from State agencies be available to support actual implementation of some international projects.
- **CTE Institutions:** CTE private, public, and NGO training institutions, including secondary school systems, community colleges, universities, and private training entities can be tapped for technical assistance and software to implement international CTE projects. But, because of the fact that most international initiatives have components relating to national/regional governance, finance, and assessment there will often be a need to involve representatives from Federal and State Agencies which have a full understanding of national policy frameworks.

- **CTE Technical Consortia:** There are a broad range of such Consortia (i.e. accreditation agencies, NOCTI, VETCS, and National Centers) which can fill specific technical niches and need to be included in many international projects. However, it would be seldom that these agencies would be able to lead a major international project bid without bringing in other partners, as their expertise may only address one or more components of an overall project.
- **CTE Professional Associations:** Organizations such as ACTE, ASTD, IVETA, AACC, League of International Community Colleges are key resources to find specific technical expertise, including organizing “incoming:” international study tours, but do not normally lead, bid directly on, and manage implementation of large CTE international projects. This is not to say they could not fill this role, if their membership and board was supportive. But in general they are not CTE “service delivery” institutions.
- **US Private Sector Companies:** As noted previously, while a number of the companies providing overall CTE assistance internationally (i.e. RCA) have withdrawn from the market, others (i.e., CISCO, Ford, Caterpillar, etc,) have continued and intensified their HRD initiatives internationally. These companies can be key partners even in some broad national CTE policy and program initiatives since these programs often have sectoral emphases. In addition, as noted by MCC and common with multi-lateral financed projects, CTE is an integral part of financing of transport, energy, and infrastructure projects. Finally, projects with sector focuses often have procurements for goods, as well as services, and private companies have a lead role in provision of goods and equipment.

Priorities and Avenues:

There was a consensus that there is a need for some type of entity to facilitate networking and partnership amongst the various U.S. organizations and companies that have an interest in international education. This entity could develop a central message that can be marketed and communicated internationally, and track grants and projects in countries seeking assistance. Potential funders to create such an entity could be the U.S. Department of Commerce, the Trade and Development Program, or perhaps the Department of Defense. The group agreed the discussion should continue and identified the following next steps:

- **Discussion summary:** A summary of the discussion, roster of participants, and summary of responses to the pre-meeting questionnaire will be distributed to all participants (this document).
- **Initial Electronic Network:** Create an electronic network beginning with the organizations participating in this meeting. Each participant will identify and share information on other organizations that should be invited to participate.

- **Comment Period:** Participants are requested to review this summary on or before October 10, 2008, and are invited to provide any clarifications, comments, etc. directly to ACTE.
- **Concept Note for Formalizing the Consortia:** CTE, in cooperation with IVETA, will prepare a short project concept paper to outline how a formal CTE Consortia could be initiated and maintained to: (a) facilitate sharing of CTE international initiatives and projects between consortia members, (b) track of financing of CTE Goods and Services by bilateral, multilateral, and national entities; (c) make Consortia and project information available to Consortia Members (i.e. web site); (d) define a budget to initiate and sustain Consortia services; and (e) suggest sources of funds for initiating and sustaining the Consortia (i.e. US Trade and Development Program, Consortia member subscriptions, etc.). This Concept note will be circulated by ACTE to all initial consortia members on or before November 30, 2008.
- **Follow-up Meeting:** A follow up meeting will be organized during the ACTE Annual Convention in December in Charlotte, North Carolina. The purpose of the meeting is to further refine what an entity would look like to facilitate and sustain the need for CTE networking and partnerships, and review the before mentioned Concept Note on how to develop and sustain such an entity (money, people).
- **Coordination** ACTE staff agreed to take the lead on the steps identified with IVETA's assistance.