

Exporting U.S. CTE Goods and Services

BY DAVID FRETWELL

The United States needs to develop and implement systematic programs to market Technical Vocational Education and Training (TVET)¹ models internationally—the way other nations have. The short- and long-term social, political and economic implications for the United States are considerable, including the acquisition of new knowledge to improve American career and technical education (CTE) programs.

Equally important is the building of long-term personal linkages with individuals and institutions in other countries, in particular emerging economies, which are purchasing U.S. TVET (U.S. CTE) goods and services. Success in the

global economy requires that the United States looks at external as well as internal markets if it is going to reduce unemployment and the trade deficit. Contacts developed through the export of human resource services and goods, such as those provided by TVET, can play a key role in addressing these issues.

The Association for Career and Technical Education (ACTE) has taken the leadership to develop partnerships to increase the international export of U.S. TVET goods and services—the parameters of which will be rolled out at the 2009 ACTE Annual Convention in Nashville. In September 2008, at the invitation of ACTE, a number of representatives from public and private

sector institutions/agencies involved in CTE came together to discuss the international export of U.S. CTE goods and services.

The issues discussed at this meeting, and follow-up brainstorming meetings included: (a) Is increasing the export of U.S. TVET goods and services a priority and concern of the profession in the United States? (b) What are the opportunities to export U.S. TVET goods and services internationally? (c) What are the barriers to the export of TVET goods and services internationally? (d) What should be the role of different U.S. TVET institutions in promoting and increasing the availability of a knowledgeable and skilled workforce internationally? (e) How can we

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The Terms

- Technical Vocational Education and Training (TVET)
- American Career and Technical Education (CTE)
- The Association for Career and Technical Education (ACTE)
- The U.S. Department of Education (DOE)
- The U.S. Department of Labor (DOL)
- The European Union (EU)
- Human Resource Development (HRD)
- The Institute of International Education (IIE)
- The U.S. Millennium Challenge Cooperation (MCC)
- The United Nations Education, Scientific, and Cultural Organization (UNESCO)
- The U.S. Trade and Development Program (USTDP)

assist other countries with the development and reform of TVET?

Context and Issues

Economic and Social Development: TVET, along with basic and higher education, is a key actor in ensuring that human capital is available to foster economic development. Over the past 10 to 15 years there has been a major focus on financing the development of primary education internationally. Today emerging and middle income countries are increasingly nearing full enrollment in primary schools, and secondary education is becoming compulsory in many of

these countries. In parallel, 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 TVET if they are to gain/retain employment, increase productivity and contribute to economic development.

An informal review of World Bank databases indicates that there are about four times as many TVET students in emerging/developing countries compared to North America, and the annual growth rate of TVET students in developing countries is five times as great as in North America. TVET can be a major contributor to social development in these countries by offering career pathways and ladders, and contributing to political stability by addressing unemployment and poverty issues.

Globalization: The globalization process has resulted in countries increasingly being linked economically, socially and politically. When a problem develops in one country, it increasingly affects others (e.g., the current U.S. financial crisis). Globalization is also entering a new phase with companies in emerging-market economies now competing against those in developed countries. Globalization used to mean that business expanded from developed to emerging economies, but now it increasingly flows in both directions².

Competition: Developed economies such as those in the EU, Germany³, UK, Australia, Ireland, Canada, are aggressively marketing their human resource development (HRD) services and TVET 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, systematic involvement of U.S. TVET institutions in exporting TVET goods and services to international clients has declined over the past 10 years.

Opportunities

TVET International Demand and U.S. Supply: A review of a broad range of bilateral, multilateral, and nationally financed TVET projects, and participation in sector analysis and related conferences and symposia, indicate that there is a strong international demand for TVET goods and services. These services often support TVET policy and program initiatives in areas where the United States is a leader. These areas include, but are not limited to: (a) reform of secondary vocational education—moving toward the career cluster concept which is supported by the World Bank, and is being implemented by a number of countries; (b) career guidance and counseling⁴; (c) TVET governance and financing—where the U.S. emphasizes employer involvement and use of multi-channel approaches to financing, as opposed to a one-size-fits-all approach; (d) occupational standards and assessments, and related modular curriculum development; (e) postsecondary technical training—where the United States 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 TVET, a U.S. specialty; and (g) career pathways and articulation agreements.

TVET International Development Financing: Contacts with other countries and staff at multilateral development banks (i.e., the World, Asian, Inter-American, and African Development banks), the EU, and the International Labor Organization (ILO) indicate that TVET is a major focus of development financing. The U.S. Millennium Challenge Cooperation (MCC)—which is a U.S. government agency created to reduce poverty through sustainable growth—and USAID, although not major international financiers of TVET, both note the same trend. In addition to multilateral and bilateral funding, the oil producing countries in Central Asia and

The Issues

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- What are the barriers to the export of TVET goods and services internationally?
- What should be the role of different U.S. TVET institutions in promoting and increasing the availability of a knowledgeable and skilled workforce internationally?
- How can we assist other countries with the development and reform of TVET?

the Middle East are financing their own multi-billion dollar TVET development programs⁵.

Incoming and Outgoing Services: It is important to recognize the “rate of return” for assisting international TVET professionals from other countries to come to the United States for short- and long-term training, as well as for the export of TVET goods and services to these countries. The former can play a major role in stimulating the latter, and can strengthen social, economic and political ties between other countries. The Institute of International Education (IIE) tracks all outgoing and incoming training programs⁶ and notes that the estimated direct return to the American economy each year, as a result of individuals coming to the U.S. for education and training, is USD \$14 billion annually, and that 66 percent of these funds are financed from non-U.S. sources.

Barriers to the Exportation of U.S. TVET – Real and Perceived

There are a number of barriers to the exportation of U.S. TVET. Among them is the decentralized nature of U.S. TVET and the lack of a clearly branded, marketed and understood national system of education and training. This is a challenge for other countries that are

attempting to understand the messages being shared with them by individual United States institutions. Other countries—particularly those with a more standard national system (i.e., Australia, Germany)—brand and market their systems in a cohesive manner. However, it should be noted that Canada, which does not even have a national Ministry of Education, and operates a number of quite independent Anglo and Francophone systems at the provincial levels, exports TVET effectively internationally.

Also barriers are federal support, niches, and 9/11:

Federal Support: The U.S. Department of Education (DOE) and Department of Labor (DOL) are restricted to spending money on international activities that directly further U.S. education/training interests. However, the DOL Bureau of International Affairs does have a narrow international mission, but not directly in support of TVET, and has bid on and implemented World Bank-, as well as Saudi Arabian-financed TVET programs in the past. In December 2008, the DOE sponsored a conference in Cairo for Middle East and Northern African countries. And, the United States has rejoined the United Nations Education, Scientific, and Cultural Organization (UNESCO) and is a member of the ILO.

Niches: Many U.S. TVET national and state organizations, currently working with or hoping to work with other countries, have market niches (i.e., standards and assessments, secondary or postsecondary level TVET, research, curriculum development, leadership). But these institutions are not, individually, in a position to provide the broad spectrum of TVET products and services which are often requested by international clients. In addition, it takes significant staff hours to track and respond to advertisements for proposals to provide TVET goods and services.

Finally, a number of major firms and institutions (e.g., RCA, Westinghouse, Vinnell, and the Ohio State National Center for Research in TVET), which were extensively involved in the export of TVET services in the 1980s and early 1990s, have largely dropped out of the field. However, some private companies are exporting training services related to their own product lines (e.g., CISCO, Ford, Caterpillar, and Microsoft). But they usually do so in narrow niches which do not address national TVET policy and program development issues included in projects in other countries.

9/11: The 9/11 incident and related visa complications, real or perceived attitudes toward some foreign nationals, and reduced interest from some other countries in accepting assistance from the United States, have created barriers to the export of American HRD goods and services—particularly in the Middle East where there are massive investments in TVET. The 9/11 incident has presented an opportunity for other competitor countries⁷.

However, IIE figures show that the number of individuals coming to the United States for training, particularly in higher education, has somewhat rebounded in the past several years. USAID funding for TVET has also increased. Some U.S. TVET institutions express reservations about their staff taking long-

term overseas assignments; but given the breadth of expertise in the United States, and previous experience (*i.e.*, the DOL fielded a large number of U.S. TVET professionals to Saudi Arabia in the past), the problem may be more perceived than real, and is something that all U.S. competitors must deal with.

Institutional Roles

The roles of various federal, state, local, public, private and NGO CTE agencies are hard to define precisely, but the following attempts to summarize some possible roles.

U.S. Government Federal Agencies: As noted previously, the DOE and DOL are not in a position to provide direct support to the marketing of American 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 ministries in other countries, and have a role in UNESCO and the ILO, respectively.

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 TVET projects. The Department of State, via USAID and the MCC, can and does provide direct support to TVET international initiatives. This support is limited in scope, but it can have a major leveraging effect if linked with other funding (*e.g.*, the World Bank and EU are funding TVET in Namibia, which is linked to U.S. MCC funding; and similar parallel funding is occurring in Pakistan).

If the MCC funding is implemented by a U.S. firm, the firm can be in a strengthened position to obtain funding from the other financing agencies. Finally, the Department of Commerce and the U.S. Trade and Development Program (USTDP) could be contacted to see if they could provide direct support to strengthen



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branding and marketing of U.S. TVET goods and services, the tracking and monitoring of international TVET, and developing consortia of U.S. firms to bid on international TVET projects (USTDP has done so in the past).

State Agencies: State funding policies usually have similar restrictions as do federal agencies, and as such state involvement in international TVET is also often limited to a brokering role to bring consortia and international contacts together. However, state economic development initiatives linked with community colleges can provide an opportunity for more active state-level involvement in international TVET.

U.S. CTE Institutions: Individual 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 TVET projects. But, because most international initiatives have components relating to national/regional governance, finance and assessment, there will often be a need to involve other personnel, including representatives from federal and state agencies which have a full understanding of national policy frameworks.

TVET Technical Consortia: There are a broad range of such consortia in the United States (*i.e.*, accreditation agencies and national centers) which can fill specific technical niches and need to be included in many international projects.

However, often these agencies are not in a position to lead a major international project bid without bringing in other partners since their expertise may only address one or more components of an overall project.

TVET Professional Associations: Organizations such as ACTE, the American Society for Training and Development, International Vocational Education and Training Association, the American Association of Community Colleges, and the League of International Community Colleges are key resources to finding specific technical expertise, including organizing “incoming” international study tours. But these organizations do not normally lead, bid directly on, and manage implementation of large TVET international projects.

U.S. Private Sector Companies: While a number of companies providing international TVET assistance (*i.e.*, RCA) have withdrawn from the market, others (*e.g.*, CISCO, Ford, Caterpillar, John Deere, Lab Volt) have continued and intensified their international TVET initiatives. These companies can be key partners even in some broad national TVET policy and program initiatives since these programs often have sector emphases. In addition, as noted by MCC and as is common with multilateral financed projects, TVET is an integral part of financing of transport, energy and infrastructure projects. Finally, projects with sector focuses (*i.e.*, agriculture) often have procurements for goods as well as training services, and private companies (*i.e.*, John Deere) can have a lead role in provision of both goods and training services.

Looking Ahead

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organizations and companies that have an interest in international education.

ACTE is among the institutions that recognize the need to provide such leadership, and is working with partners as they develop central messages about U.S. TVET that can be marketed and communicated internationally; track international demand (*i.e.*, grants and loans for TVET projects in countries seeking assistance); and inventory the potential supply from U.S. TVET institutions and individuals. ■

End Notes:

- 1 The term career and technical education (CTE) is not commonly used in international circles so this article uses the term Technical Vocational Education and Training (TVET).
- 2 It is estimated that one third of the Fortune 500 companies will be from emerging market companies within 10 years (*The Economist*, Sept 20, 2008).
- 3 Germany has a special HRD export initiative called IMOVE, and a supporting technical agency: GTZ.
- 4 The OECD, World Bank, and EU just completed more than 40 country case studies and developed related policy papers.
- 5 Qatar, the Emirates, Saudi Arabia, and Kazakhstan are making multi-billion dollar investments in TVET and are purchasing related goods and service.
- 6 IIE, Open Doors Annual Report, 2007, New York.
- 7 Germany has largely replaced the United States in the supply of TVET services to Saudi Arabia, and is very active in the Emirates; Canada, Australia and New Zealand are also very active.

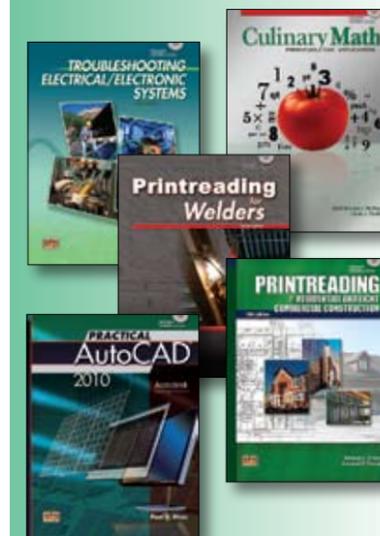
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