Introduction: Thinking about Investment

It is a commonplace to describe technical and vocational education and training as an investment. To do so implies that TVET is similar to more tangible capital assets (machinery, for example) in the following ways. Firstly, TVET requires the commitment of financial and/or other resources in the present. As a result, other alternatives presently available will be foregone, that is, there will be an opportunity cost. Secondly, an asset or assets are acquired through TVET which are expected to generate a flow of returns over a number of future time periods. Thirdly, those expected future returns justify the cost in the present.

It is also quite usual to think about nature and society in this way. We do this when we invoke the terms ‘natural capital’ or ‘social capital’, and, in fact, when we talk about ‘sustainable development’, since the implication of such development can only be that acceptable, sustainable, future returns are securely expected at some acceptable present cost. There remains scope for extensive disagreement around such questions as, ‘what is acceptable, now or in the future?’ ‘acceptable to whom?’ ‘how far into the future?’ and so on. But the point should be clear that, given human time preference – that is, that all other things being equal, we would rather have a thing sooner than later – there is an underlying issue about how we presently value future possibilities. This is important in our consideration of TVET, of sustainable development and, perhaps particularly, of the two taken together.

The purpose of this chapter is to argue that, while it is perfectly appropriate to think about TVET and sustainable development as involving forms of investment, this requires no less clarity and sophistication than the most complex business decision-making.
TVET as Investment

The following is an outline list of the courses on offer at the institution of technical and vocational education and training closest to the author’s place of work: art and design, graphic design, fashion and clothing, accounting foundation, marketing, catering, computing, construction, stonemasonry, carpentry, manufacturing engineering, air conditioning, English, floristry, hairdressing, media studies, music, performing arts, public service, sports, travel and tourism, work-based training. It will be apparent straight away from the number of service options here that this is a college in a rich Western country, but at the same time there are a number of course offered that might be found almost anywhere.

Each of the above areas of TVET provision competes for resources within the institution. The institution itself competes for resources with other institutions offering TVET, and the sector as a whole competes for resources with other sectors, both educational and non-educational. Finally, when students select a particular course at this particular college they are setting aside other possibilities for the best use of their own time, energies and, in some cases, money. Hence, we can see that when a student enrols in a class, there are opportunity costs at the societal, institutional and personal levels. And the individual, the institution and society as a whole will normally all tend to justify these costs, at least in part, in terms of expected future returns.

However, these expected returns are anything but homogenous. To illustrate this let us consider the example of courses in travel and tourism. Such courses are found in TVET institutions all over the world. This is because tourism is an important part of the economic development strategies of very many (almost all) countries, whether rich, poor or transitional. There are a number of states for which it is simply crucial. It frequently seems to offer a bridge between ‘traditional’ and ‘developed’ lifestyles and is of demonstrated relevance to issues of sustainable development and learning (see Gough and Scott, 2002, for a discussion). Individual students studying such a course are likely to be looking for returns in the form of future income, though they may also have less tangible concerns, such as a desire to travel or, perhaps, a wish to promote sustainable development. Their exact hopes and plans will vary from one student to the next, but there is likely to be an overall preference for larger rather than smaller incomes, incomes which are expected to increase over time, or offer other opportunities for advancement over those which are more fixed, and increasing incomes which increase sooner rather than later.

The size and security of these expected returns will depend on a wide range of parametric factors. For example, newly enrolled students of tourism immediately acquire an interest in the status of tourism in government planning. Only those determined to consider the public good independently of personal advantage will refrain from wishing for resource allocations and schemes of regulation which favour not only their chosen industry but also, within it, the occupations and rewards structures that they themselves would prefer. Since government-allocated resources are inevitably scarce and decisions about regulation or de-regulation usually controversial, this means that some of those who have enrolled in non-tourism TVET courses