

'Becoming more responsive to VET or becoming over vetted?'

Tensions for VET and capacity building with small business/ community partnerships in the Adelaide Hills region.

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ABSTRACT

Capacity building initiatives and public private partnerships are being encouraged by all levels of government, locally and globally, for developing decentralised, sustainable, self supporting regions. In this light, promulgating social partnerships between institutions like Vocational Education and Training, (VET), industry, and the community has been the subject of much discussion in Australia. It is ironic though, this is at a time when the '*institutional capital*' (Cocklin and Alston, 2003) and central role for the state is being minimised faster than support for regional infrastructure and capacity builders at the local level. It has often been argued small and micro business, as one possible industry partner, is delivering less in formal VET. There is a need to question though if globalising, neo liberal policies designed to ensure business and communities are more internationally competitive in the marketplace, are mismatched and *capacity reducing* at the local level? In the pressure to minimise government expenditure and create *can do* communities, are small businesses and the community filling a vacuum in the regions by '*can doing*' already? To what extent could small business and the community '*do more*' in VET if policy trends were more conducive to equitable, collaborative decision making and democratic governance at the local level, as opposed to increased regulation and competition for scarce resources from afar? This paper explores the tensions in this '*political ecology*' by presenting findings from interviews with practitioners and small business in the Adelaide Hills region, South Australia. It suggests a spectrum of contribution from small business which is open to further critique. The discussion raises questions about public private partnerships, (PPP's) in a deregulated, neo liberal market economy, with concerns about their capacity for resourcing VET strategically for the long term.

INTRODUCTION

Fostering public private partnerships for regional economic development between governments, industry and the community to reduce poverty, inequality and resource regions has been the subject of debate here in Australia, and internationally. (Das Gupta, Grandvoinnet, and Romani, 2003, European Centre for the Development of Vocational Education and Training (Cedefop) 2004; Commission of the European Communities, 2004, International Labour Office. 2002). Accompanied with these shifts in governance over the last three decades, has been a redefining of the central role for the state and reframing of the public realm and responsibility for the 'public good' in health, education and welfare. This new regionalism and devolving of governance and decision making to the local level, at least in theory, has met with a mixed response in practice. (Keating, Loughlin and Deschouwer 2003; Keating,

Wanna and Wella 2000). Not without its critics, within this '*sea change*' in VET, (Brandsmaa and Noonan 2000) is the pressure to engage more participation from industry to bolster public expenditure for driving the lifelong learning policy agenda for social inclusion and to resource democratic learning regions. (Australian National Training Authority 2003; Kearns, 2004 Kearns and Papadopoulos 2000, Kearns *et al* 1999, Foley 2004; Kell, Shore, and Singh 2004, Department of Education, Science and Training. 2005) There has been debate about the extent to which industry participates in VET, and finding the balance in the public private provision of a 'common good' is problematic. (Hall, Buchanan, and Considine, 2002; Cully, 2002, Callan and Ashworth 2004; Bowles, 2001, Blandy, and Freeland, 2000, Billett, 2001).

One of the reasons being there is much conflict within the discourses as to an accurate representation of small and micro business participation in formal VET at least; that is those firms employing between 6-19 and 1-5 employees respectively. Dumbrell (2004, p.5, 9.) quoting that according to the Australian National Training Authority Statistics (1999) enterprise expenditure on VET contributes 45% to the overall VET budget. However neither government, which contributes almost the same at 44%, or enterprise funding for training, is keeping pace with industry restructuring or expenditure on training by other OECD countries. Smith and Billett (2004) contend that social partnerships are one way to leverage funding for VET, but that most successful partnerships within industry are with the larger business. They question the intentions of these partnerships though, and if they should be used to only '*subsidise an already overwhelmed Vocational Education and Training system*' Smith and Billett (2004, p.18). Smith and Billett (2004) state it is by no means clear that small firms participate less in VET in Australia in comparison to industry overseas. Blandy and Freeland (2000, p 41-42) contesting that if the total contribution employers generate through support for intangible learning in the workplace was more appropriately measured the extent of enterprise contribution to VET would be redefined. The government sector, they found, provides .6% of the VET GDP with support for training generated by enterprises *almost three times* or 1.5% GDP being contributed from employer spending in the informal VET sector. Dumbrell (2004, p. 28) argues however, the debate needs to extend further than just the economic provision for VET to the broader social and educational focus for the long term; recognising the size and role for the sector outside formal VET.

Public private partnerships for green, sustainable, 'can do' learning communities?

At the regional level, public private partnerships for greener, equitable governance have received heightened interest by all levels of government intent on trimming public expenditure and borrowings, whilst concurrently being demanded by communities to do more with less in the public realm. (Organisation for Economic Cooperation and Development. 2004, 2002, 2001; International Labour Office 2002; Commission of the European Communities 2004, European Centre for the Development of Vocational Education and Training 2004). In this *advanced liberalist* (Dumbrell 2004, p16) market economy advocates of '*third way*' policies propose limited intervention from government, encouraging a greater contribution from the private sector in areas once only the domain of the public sphere, as a way in which governments can annex private sector investment, share risk and expertise for the economic development of regions (Department of Further Education and Employment UK 2001, Giddens, 2001, Giddens 1998). Advocates of 'third way'

governance, a smaller public bureaucracy and less 'statism', contend the free market, and less regulated approach (in theory) is integral for generating corporate contribution from business for social partnerships and for increasing economic productivity and harnessing creativity for economic development (Australian Chamber of Commerce and Industry 2000, a. Australian Chamber of Commerce and Industry. 2000, b. Centre for Corporate Public Affairs and the Business Council of Australia; Institute of Public Administration 2002). Within this context, has evolved a changing role for industry and the state which contenders of third way approaches argue means less government intrusion at the local level and more collaborative governance encompassing civil society, the community and both the public and private sphere. This narrative within the policy debate seeks a greater contribution from the private sector and contends this investment should extend beyond the traditional economic expectation, to the investment of other types of 'capital' to resource the regions. The triple bottom line is now an expectation of the socially conscious organisation- one which contributes to the public good through building not only the economic capacity of regions, but the human, social, and environmental capital too. Schofield (2003, p.16) argues that for small business, innovation does not happen in isolation and that networks and clusters across industry are of mutual benefit to all parties. Kearns (2004 p.3) states that new ways of innovation are needed in partnerships though for promoting inclusion in the lifelong learning agenda.

Those promulgating the 'bowling together' approach demonstrate the many success stories of public private partnerships in encouraging a greater contribution by small and large business to both regional economic, and community development. Proponents on this team stress the importance of collaboration, the sharing of risk and resources and an equitable contribution from all parties. Encultering a shared vision, common goals, and increased civic engagement from both business and the community, is one way in which to retain what Putnam (2000) has argued to be the declining interest in civic society. Advocates of community capacity building use positive local leadership for solving local problems, and building consensus in the community, and for growing productive local networks and alliances. Partnerships in this light, are a driving force for community and economic development, one step removed from government, a vehicle for building productive regions. Enculturing this positive social capital between heterogeneous groups of stakeholders, trust, resilience and cooperation are essentials for success. Communities are encouraged to 'can do' and take a responsive approach to their own local governance. Much evidence is provided of the suitability, successes and achievements of capacity building in the regions. (Cheers, *et al* 2002; Office of Regional Development and the Office of the Status of Women 2002, Kenyon and Black, *et al* 2001, Kretschman and McKnight 1993, Dixon and Barnett, 2002, Loza, 2004, Edgar 2001, Kilpatrick and Guenther 2003, Caldwell and Keating 2004, Macadam *et al* 2003). Rodger, Cowen and Brass (2003) finding there is no one single model for partnerships, but that inclusiveness and a clear vision for 'proactiveness' and ability for 'getting things done' are essential for sustainability and success.

Public private partnerships: slippery turf for equity and democracy in the regions?

These new arrangements in the decentralisation of governance are not without their critics though, in practice. Herbert Cheshire and Higgins (2004) contend that within the current policy climate those that learn to 'play the game' are deemed more

deserving than those that don't- only enhancing the inequality of non conformists and those with an alternative discourse to the dominant voices. Going into bowl for the regions, but on the opposing team, are those sardonically skeptical of the inequitable, hegemonic power relations between the state and the community and effect of globalising markets on disempowering local economies. (Curtis 2003, Miraftab, 2004, Ihrke and Johnson 2004, Scanlon 2001, Diamond 2004). Seeking more 'openness', transparency and accountability between the partners and government they have cogent concerns about the transfer of risk, debt and responsibility across, and between the sectors. Pusey (2003) writes of the diminishing impact of neo liberalist policy on middle Australia and on small business in particular, and the individual. The shifting of risk and responsibility and minimising the role for the state has lead to the erosion of regional infrastructure in South Australia, according to Spoehr *et al* (2002). This opposing discourse contends that communities, are increasingly dependent on their ability to compete for resources from afar, with decreased resources for regional infrastructure and the '*institutional capital*' in communities, resulting in welfare groups, regional agencies, local government and the community filling the gap (Alston, 2002; Cocklin and Alston 2003; Argy, 2003, Carson and Wadham 2001; Spoehr *et al*, 2002, Scanlon, 2001, Pusey 2003, Lockie, 2000; Pritchard and McManus 2000, National Economics and the Australian Local Government Association 2004). This institutional capital is defined as:

- The public sector- institutions of federal, state and local government
- The private enterprise sector- non- governmental enterprises producing goods and services for profit, together with the market mechanisms through which such goods and services are exchanged; and
- The third sector – non governmental, not for profit organisations and institutions. (Cocklin and Alston 2003, p.5)

Cocklin and Alston (2003, p.207) conclude that: "*the importance of institutional capital in the form of local government and related organisations*" is a theme which arises consistently from their regional case studies. Spoehr *et al* (2002) contending that irrespective of the language, or latest policy '*spin*' (Nicholl, and Edwards, 2004) partnerships they argue, ultimately mean greater privatisation. The zealous push to privatise all public goods and services, and implement overseas policy without waiting to evaluate its successes or failures, will have a disastrous effect in Australia, they argue. The impact of this 'competition or bust' mentality, neo liberal functionalist mantra espoused from all sides of the political spectrum is resulting in increasing inequality within, and between, the regions. Public private partnerships can mean a diminishing and hollowing out governance; the application of a short term quick fix solution, without defining the problem. Serious questions are raised about the regulating and balancing role for the state against private and vested interests. Kearns and Papadopoulos (2000) have written that there is a lack of structures in place for VET at the local level for promulgating the 'learning partners'. Scanlon (2001) finding too, that the 'third way' has failed to reach its potential. Public private partnerships are very risky business, concludes Hodge (2004, p.39) stating: "*The net benefits of PPP's clearly are still subject to a large degree of uncertainty and debate.*" Pickersgill and Walsh (2001) warn of blindly adopting any international policy initiative and introducing 'feral' partnerships into VET in Australia without a more rigorous critique of overseas models and it is to that we now turn.

The international experience with PPP's

At the international level, Curtis (2003) has found public private partnerships have both a high road to skills investment and innovation, and a low road for enabling communities. Curtis (2003, p 4) writes though that the rise in economic rationalism and privatising of social capital in New Zealand in particular," *has harnessed individuals and institutions to a treadmill of international competitiveness*". Other studies have lent weight to these concerns. (Amdam 2003, Brandsmaa, and Noonan, 2000; Keating, Loughlin, and Deschouwer 2003; Husemann and Heikkinen 2004, Miller and Ahmad 2000). Das Gupta, Grandvoinet, and Romani, (2003) contend there is an integral role for the state as regulator to monitor a level playing field, so that business is not the only winner in the partnership. Yarnit (2000) writes of the need to choose partners carefully; that there are some things partnerships can do well and other things partnerships do badly. Diamond (2004) contending that PPP's in the UK are a cosmetic solution without a fundamental change in the underlying policy structures, with questions about who is best served by these partnerships, 'top downness' and whose capacity really needs building? Spoehr *et al* (2002) finding from the evaluation of the Privately Financed Initiatives: PFI's as they are known in the UK, whilst a short term fix for a government intent on shifting debt 'off balance sheet'; they have also spawned the added costs of consultants and lawyers in their establishment. This third way, these critics argue, is without substance and little more than classical liberalist policy in new clothes. These so called 'successful PFI's' only resulting in a greater debt repayment for government for the long term. Others contend that the elusive search for the third way is government actually '*opting out*' and much has been written about the role for social capital for filling the gap in the policy debate. Field (2004) has warned though of the hidden, dark side of social capital and not associating any 'capital' with improving the goodness, good intent or wellbeing of people. Or to assume either, that social capital can be a replacement for regional base funding and infrastructure.

In summary, Brown *et al* (2003) are concerned about insularity and the lack of inclusion and voice in local communities in Australia. Capacity building is not the only policy for improving regional economic development find Beer, Maude and Pritchard (2003). Investing in tourism is one way of regenerating the regions, state Cheers *et al* (2002) but it is still a very labour intensive, resource hungry industry. Others have written of the dangers of parochialism and nepotism in communities and local alignments diminishing the power of real partnerships (Argy, 2003). Lahiri-Dutt, (2004) finding imposed views and lack of real consensus or decision making being subsumed to experts, means no truly inclusive consultations for the community. Seddon, Billett and Clemans (2004) have found levels of conflict in partnerships over the roles and Brown *et al* (2003) have argued that if public private partnerships are not handled well they will entrench existing inequalities. Sarre and Treuren (2001) stating the market economy is not conducive to the triple bottom line in business. They contend that it is naïve to think that any business which adopts triple bottom line and values social contribution to the community can actually survive in a market economy which doesn't. Warburton *et al* (2001) argues however, that profit is still the main motive for business- any corporate responsibility by business is questionable. As one interviewee said, expecting a greater corporate responsibility from the small business sector for investing in a public good like VET for developing learning communities is: "*just too big an ask*".

METHODOLOGY

This PhD study is defining a social partnerships model for capacity building in VET through small business community partnerships in the Adelaide Hills, South Australia. (Plane, 2001; 2002a, b, 2003a, b; 2004 a, b). By challenging the traditional discourses about VET and small business it is 'critiqueing' a construct of learning ecologies- each of these ecologies deemed critical components of equitable public private partnerships in VET. The research is adopting qualitative techniques of appreciative enquiry and asset mapping (Kenyon and Black et al. 2001; Kretzmann and McKnight 1993) with semi structured interviews, with practitioners and small business (Piantinida and Garman 1999; Guba and Lincoln 1989, Rubin and Rubin, 1995). Small business is defined as the owner managed small (6-19 employees) or micro workplace (1-5 employees) respectively. Practitioners are those working with small firms in VET, ACE, community and regional development and local government. One hundred and twenty interviews have been undertaken with people from both the-for-profit, and not-for-profit sectors across a range of organisations.

Findings: A spectrum of contribution or non contribution by the Small Business?

The findings suggest a spectrum of responsiveness from small business to both VET and contribution to the wider community, which is open to further analysis. As a local case study it is limited, but it may represent a framework for further debate.

The Philanthropists and Communitarians

'Its up to us', they said. *'It's a spiritual thing'* We live locally and our business is local. This group is selfless, committed, engaging with the community on committees, sometimes at expense to their own business, and they participate in meetings with Chambers of Commerce, with community groups, landcare groups, and regional tourism groups to name a few. These people are working quietly in their communities and with other communities for the benefit of the common good. They take a big picture view of the region and its townships. They might be church goers, the long term established small businesses from 'old hills families' or new people to the region. This group is likely to be involved in formal training with VET, investing in their people, not for immediate monetary gain, but for the holistic wellbeing of the person. One practitioner warned though: *"Don't make the mistake of thinking this is the norm"*. This group may expect an equivalent commitment and contribution from others though: *'Look not what your country can do for you, but what you can do for your country'* said one. But they spoke also about the challenge of uniting the community and its businesses and fragmentation at the local level.

The Bowling Club and Key Players

"It's about the community" they said. These people are perceived as the retired communitarian, the older Rotary, Kiwanis, Lions members who are still very active champions; the volunteers who are mentoring and investing in training and community development for younger people and youth. This is the group that perhaps is not so visible in their role in building a learning community, or valued perhaps as much as they could be. They are very active in the community as committed fund raisers, chairs of the local business associations and committees.

Involvement is paramount and they are well respected and might be older community members, or from a third generation small family business. One stated though how they are witnessing an increasing number of community groups seeking financial support in the region and can no longer '*just write out the cheques*', and expect some kind of contribution from the community to the partnership.

The Quiet Pragmatists and Supporters

"We don't want to make a fuss about it" they said. This group might not necessarily have the time to commit to all the meetings and committees, but they are people with concerns about how the social fabric of the hills is changing. They sponsor the charities and local events and sporting groups on a regular basis, but within the confines of running a small business. *"We have always supported the community"* they say. Whilst not wanting to make a big noise about that contribution, one stated that a local presence in community is important, or the community is totally unaware of just who is supporting the region. They are not expecting a direct pay back or return on investment it's just something that you do, a taken for granted part of running a small business in a semi rural community. But it's a fine balancing act: *"You need to understand that anything you do outside the business takes away from the business"* said one. They might be the older more established family firm that has survived succession planning. They have a history of involvement in VET: *"We have always been involved in training and had many apprentices over the years"* *"My staff are like my family"* they said.

The Back Yard Parochialists

"We will support anything that is going" they said, as long as it's in our community, benefits our backyard and is not anyone elsewhere in the hills. This group tended to be tied to their individual townships with a strong sense of which side of the hills they reside and their immediate locality. Fiesty, parochial and community driven they are a positive power for community economic development in the regions. Immensely proud of what they do for their township without government assistance, in some cases their capacity building role has meant taking over a service that government has rescinded, filling a gap in the community. But they are very tied to their immediate community. Cost benefit analysis comes into play with sponsorship and it appears it does with training decisions too. Any training needs to directly benefit their firm; there needs to be a tangible return on that investment. A consistent finding was a resentment at staff leaving the firm immediately on qualifying, after they had invested time and effort in the person. Whilst they expressed an understanding that people needed to move on, there was also a feeling of loss and being short changed. Some had even decided not to have apprentices or trainees anymore for this reason.

The Worker Beavers

"We are just too busy" they said. These are small, and newly established businesses in the interim stages of business development; they are completely involved in building their new firm. They might be the hatchlings in business incubators starting a new enterprise, but the firm is their world and they don't have time to attend outside meetings or formal training- it has to come to them. The business is all encompassing. They might have undertaken short bursts of formal training with

TAFE or regional development boards or through private training providers in industry or in the enterprise centre itself. They have had support from the incubators in terms of management training, accounting support, and the opportunity to network and learn with other small firm operators. But they have to learn fast, on the job, on their feet and often in isolation, according to practitioners, or they don't survive. They are working very long hours and haven't much time or emotional capital left to think about training others and investing in the wider community. They might be interested in the future, but at present they are too small, the firm cannot afford it, and sometimes they are really frightened of growing bigger and employing.

The Autonomists and Spectators

"It's not up to us- that's government's job" they said. *'Support services for small business- what services? Where?'* This is the group that rightly or wrongly is inherently disinterested in the types of training and resources available in the region for themselves or the firm. They operate on their own, independently- that is the way they like things. They are reluctant to participate for a number of reasons. *I don't think it (VET) has anything to offer me"* said one. The learning they are doing is highly geared to the firm and grounded within their industry, from networking with mentors in their field, from the experience of overseas travel, or visits interstate. They have often been previously employed as professionals, but they don't want to employ or train for reasons around transferring the knowledge base, difficulty in distributing tacit knowledge, or not wishing to share company secrets, or just the challenge of finding the right people to replace them on the job. The firm works because they are always there and are 'experts' in their field. Put someone else in charge and *'the sales drop'*-they say. Perceived by practitioners as those in business for the freedom and enjoyment of working alone and distancing themselves from government, partnerships would be the very last thing they would want: *"After all"* one practitioner said: *"That's why you go into business"*.

The Commuters and Lifestylers

"We just want quality of life" they said. This is the group of small business entrepreneurs that the practitioners perceived just visit the region to work or alternatively commute to the city everyday from a hobby farm or hobby business. These are those mentioned most often by practitioners as the businesses in the hills where people are not necessarily retired; they may be the double income family or a business for one partner in a part time capacity. These entrepreneurs search for the elusive, idyllic lifestyle business; often just operating for the short term, and part time. They might be the small landholdings - driven by the quest for peace and quiet and seclusion. These small landholdings have a high turnover of ownership though which may impact on the natural ecology of the region, and more often these are perceived by some of the practitioners as the more insular, *'What's in it for me.'* small firms. *"They need to be more responsive"* said the environmentalist practitioners.

The Young Entrepreneurs

"We would like it to be us, but we are having trouble breaking in." they said. This group was perceived to be small in number, but practitioners said they may have a greater understanding of the notion of triple bottom line, and boundary crossing than

their more traditional counterparts in business, but are very new in the region. In cases they showed a greater social conscience about the environment, and were looking at very innovative ways in which to harmonise their business with the environment. They might be involved in clusters or networks, promoting local produce, tourism, food and the region. This group of young entrepreneurs 'epitomise' high commitment, high energy, drive and much enthusiasm for the region and its produce. They are involved in all kinds of learning themselves: formal and informal and whilst too small to employ, often micro firms and owner operators, they might have a professional background and be involved in any training that is offered. Their learning is embedded, fun, informal and social.

The 'History Society'

"It's always been us", they said, with a tired sigh, and historically we have always had a presence in the community. A sense of family history and intergenerational pride and cultural identity is very important to this group. However as long term hills dwellers, they bemoan what they perceive as the split between the commuters and locals. There is some evidence this pragmatic group adopt the philosophy that if a small business is meeting the essential requirements of running a business and employing people that it should not be called on to undertake any more, and that TBL it is totally unrealistic in the context of small business. They also feel that the general community often considers there are more resources in the small business *'to be had'* than is the case in reality. Some practitioners were very skeptical of the notion of TBL for small business and that learning partnerships *"Would need be something that needed to be sold"* to the business community at a large they said. In some cases, they are jaded from that commitment, and so seeking any more responsiveness from this group tends to be met with a skeptical response, and to some extent contempt.

The Opportunists and Mercenaries

This is the group perceived as those *'just about us'* and in business for the "quick buck". These businesses are seen to be only self interested, not be contributing to the region, or its people in any capacity. These are the group leaving a trail of economic, community and natural disasters in their wake for others to mop up. These are those businesses that open and trade and close just as quickly- just in it for the quick profits and short term benefit. Business ethics, values and integrity were raised often by practitioners and the integral role for business planning and sound business management skills. This mercenary philosophy and culture of 'doing business' impacts detrimentally on both the community and the small business community itself. *"It's hard to convince people you run an honest business"* said one. *"They don't believe you."* There was anxiety from both practitioners and small firms about the effect of this 'plundering' management style on the natural ecology. *"We need to get rid of the shonky operators"* said one practitioner, and others had concerns for youth employment practices and the quality of youth training in the workplace.

The Capacity Builders and Chameleons

"It's not about us and them" they said. These are the change agents filling the gaps across the sectors from both the for-profit, and not-for -profit sectors. These chameleons and capacity builders are the social entrepreneurs, the cooperatives,

developing the informal partnerships between community organisations, NGO's and business clubs and associations. They are the boundary crossers with the big picture view, the helicopter vision, looking at new, less restrictive ways of doing business, and networking alliances. They demonstrate innovative ways of supporting the community, challenging conventional thinking about learning and training. But this commitment is often additional voluntary time adding to existing workloads, and the hidden price of this '*can doing*' can cost in not only the economic sense, but in family life, health, stress and burn out. These people are members of the wider community, but often small business owners too and running a dynamic small firm of their own.

The Disenchanted and Disgruntled.

"*But what about us?*" they said. This group is disempowered by the market economy and exponential change in regulation and deregulation across industries. Caught in a conundrum of bureaucracy and industry restructuring, they see increasing government intervention into the realm of small business as a threat to their independence and way of life. Constantly confronted with new regulations - which some deemed unsuitable and ill defined for the work they were doing in reality, they had little consultation from government about the changes. Objecting to the imposed costs of audits and compliances, they had questions about the usefulness and suitability of this regulation to their industry. '*It's feudal*' one said. At the other end of the continuum others were calling for re-regulation though, and spoke of the disastrous effect of deregulation - such as in the taxi industry, that has contributed to industry breakdown as a whole and the loss of alliances (*social capital?*) present before the deregulation. But for main, the paradox of being over vetted in a deregulated economy meant little time to invest in the human resources in the firm. There is evidence that they see VET in the same dim light- another level of government compliance to be avoided.

Disenchanted with the climate for doing more business and economic growth they spoke of the difficulties in keeping workers and training people, particularly encouraging young people into their industries, a high turnover of staff and the cost of accredited training. Others were experiencing problems in obtaining competent staff for their industry and the right skills mix for working with people. Finding those willing to work the unsociable hours and weekends- particularly in industries like hospitality was a continual headache. Some spoke of offering formal training to staff but it was not taken up; VET was not attractive enough for employees to want to commit or invest the time. Several told of horror stories with employing workers, felt they had the thin edge of the wedge as employers, and subsequent loss of confidence in employing people. Also of how they used to employ much larger numbers- but now preferred to stay small. Others were very angry about top down, industry regulation and a lack of small business empathy by government. What they saw too, as the inherent unfairness and blanket approach to some regulating, unsuitable for the heterogeneous diversity of small businesses across the region. Just as environmental sectors expressed a need for '*more responsiveness*' from small business; so they expressed a need for more responsive governance. Some spoke of not only having to compete in the private sector for business, but now with the public sector too. Fiercely independent though, they did not want help, or advocates, just a more conducive economic climate for '*doing*' small business, a more small business empathetic local government and reintroducing more support for business services, regional economic development and business growth as a whole.

Discussion: the elusive search for the middle ground

Schofield and McDonald (2004) have advocated for a search for the middle ground in VET. This quest for a more collaborative, enabling governance in VET attempts to strike a balance between an over dependence on government as resource and problem solver for the regions, and conversely leaving the regions to their own devices. If Australian communities are truly 'bowling alone' too as Putnam (2000) has suggested from studies overseas, and small business and middle Australia is losing ground as Pusey (2001) has argued, then it needs to be asked who is really filling the vacuum in the regions? There are risks and hazards to local communities and to the individual of continually reshaping, and restructuring the institutional capital of VET. There are dangers too of developing a culture of over dependence on short term, local partnerships to fill the gap in what should be a public good, human rights provision like Vocational Education and Training which needs to be strategically resourced for the long term. The process of developing learning regions demands an equitable VET system where the regulatory processes and policy climate are as enabling for industry and the community, and that all of the '*ecologies of learning*' in VET are adequately resourced. These findings suggest that the impact of globalisation and neo liberalist economic reform can be capacity reducing for small business and the small organisation increasing inequities, fragmentation and disparity at the local level *even in a very productive, high growth region* like the Adelaide Hills. Whilst any case study is limited there is a note of caution for a very lucrative international export market and a very competitive VET sector in Australia. In the light of recent global events in South East Asia there is a need for independent critique of the long term effectiveness of public private partnerships in VET, and the impact of the partnerships on local communities and regions. Conveniently packaged, exported VET even with the best of intentions for promulgating lifelong learning in the regions, should not attribute to reducing capacity in the community and greater regional inequality and distress overseas.

CONCLUSION

This paper has presented findings from the '*political ecology*' and qualitative research with practitioners and small business in the Adelaide Hills region, South Australia. The findings suggest a spectrum of responsiveness from small business to both VET and the wider community, which is open to further critique. There is a need though for more research as to the suitability and effectiveness of public private partnerships for building institutional infrastructure within VET and within other regions, both high growth regions, and those in need of regeneration in Australia and internationally.

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This paper is 'work in progress' from a PhD study and presents findings as they pertain to the 'political ecology' from observation, asset mapping, field work and interviews undertaken with providers of learning and services to small business and with small businesses in the Adelaide Hills. Their input, time and participation are acknowledged in this paper. Thanks to supervisor Professor Roger Harris and CREEW, University of South Australia.