

APEC Chile 2019: Connecting People, Building Future

**(Lack of) Social recognition of
HiVET**

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Introduction

- ❖ HiVet is key in LDC, but policies use to biased against it (for instance, public funding).
- ❖ Does people value it?; for the worst?, the laziest students?.
- ❖ My claim here is that the lack of social recognition (LSR) is not a cause, but a consequence of the origins of TVET and of bad public policy.

TVET: Changed Dramatically

- ❖ TVET always has served the (evolving) middle class.
- ❖ Origins in LA: middle 18th Century; Catholic Congregations focused on the poor (illiteracy, over 85%).
- ❖ Mid 1850s “school of trades” for workers, as opposed to humanistic secondary education (school coverage < 20%).
- ❖ Seed for HiVet in Chile 1976; formalized in 1981 (today school coverage over 90%).
- ❖ So we have different views... even in one country



Good policy needs to define what is HiVET?

- ❖ Post secondary education, focused on competences for work, shorter programs; learning by doing emphasis.
- ❖ HiVET has diverse structure and organization in the world.
 - ❖ Integrated to universities (e.g., USA), segmented (Finland, Switzerland), or mixed (Australia, UK).

Confusing signals for HiVET

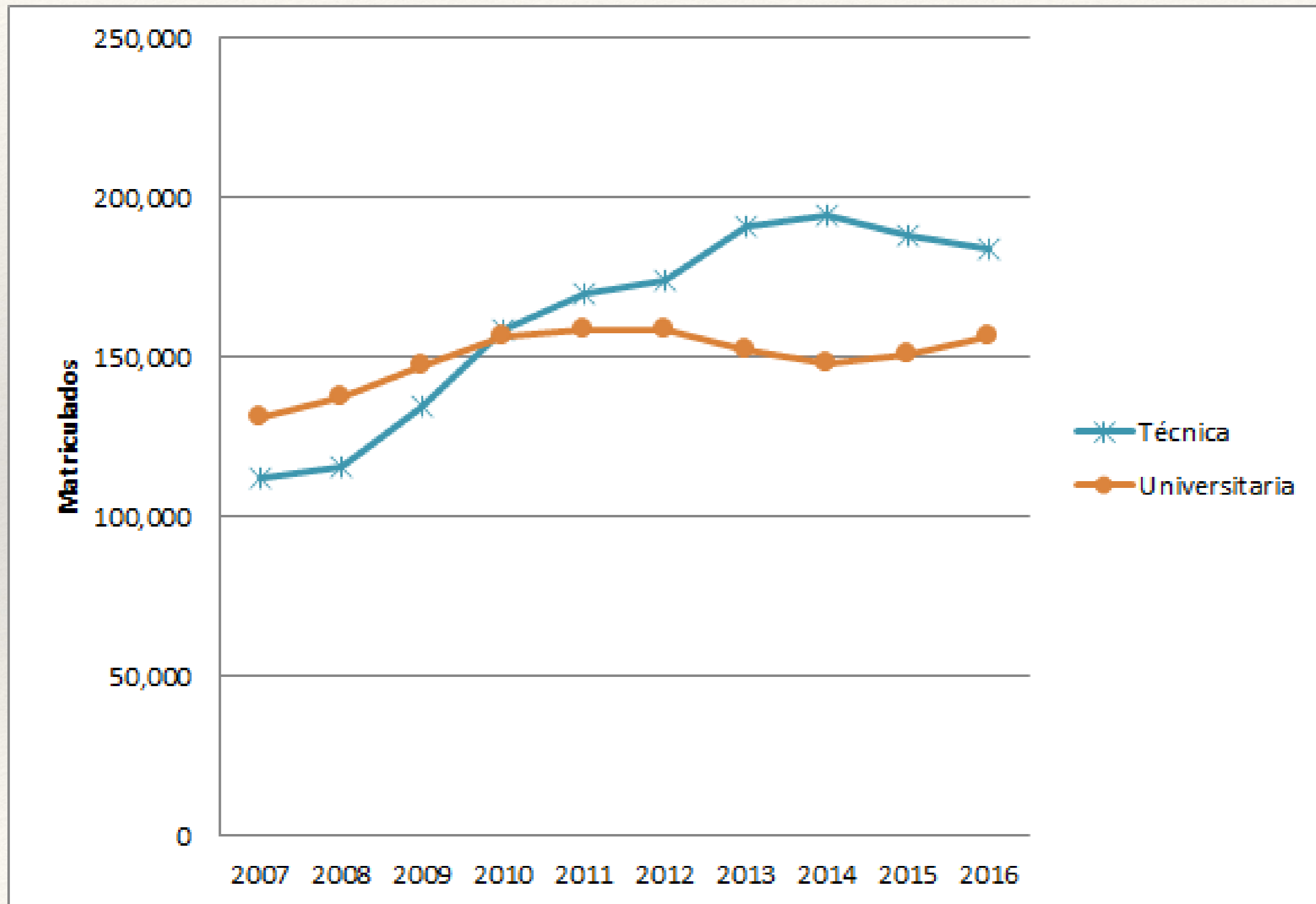
- ❖ Student financing in HE was restricted to universities until 2005 (Chile)
- ❖ Heterogeneous, unregulated sector (1st year Dropout rate about 50% in some Chilean HiVETs)
- ❖ Reform transforms agri-colleges into State Universities (to provide more opportunities to disadvantaged students in the Philippines).

Declared versus Revealed preferences

- ❖ Policy makers always declared the importance of HiVET, but always confusing signals.
- ❖ With the introduction of HiVET student financing still 1/3 of university's but curricula flexibility, innovative teaching methods and “the market” are doing the job.



Chile: First Year Enrollment in HE



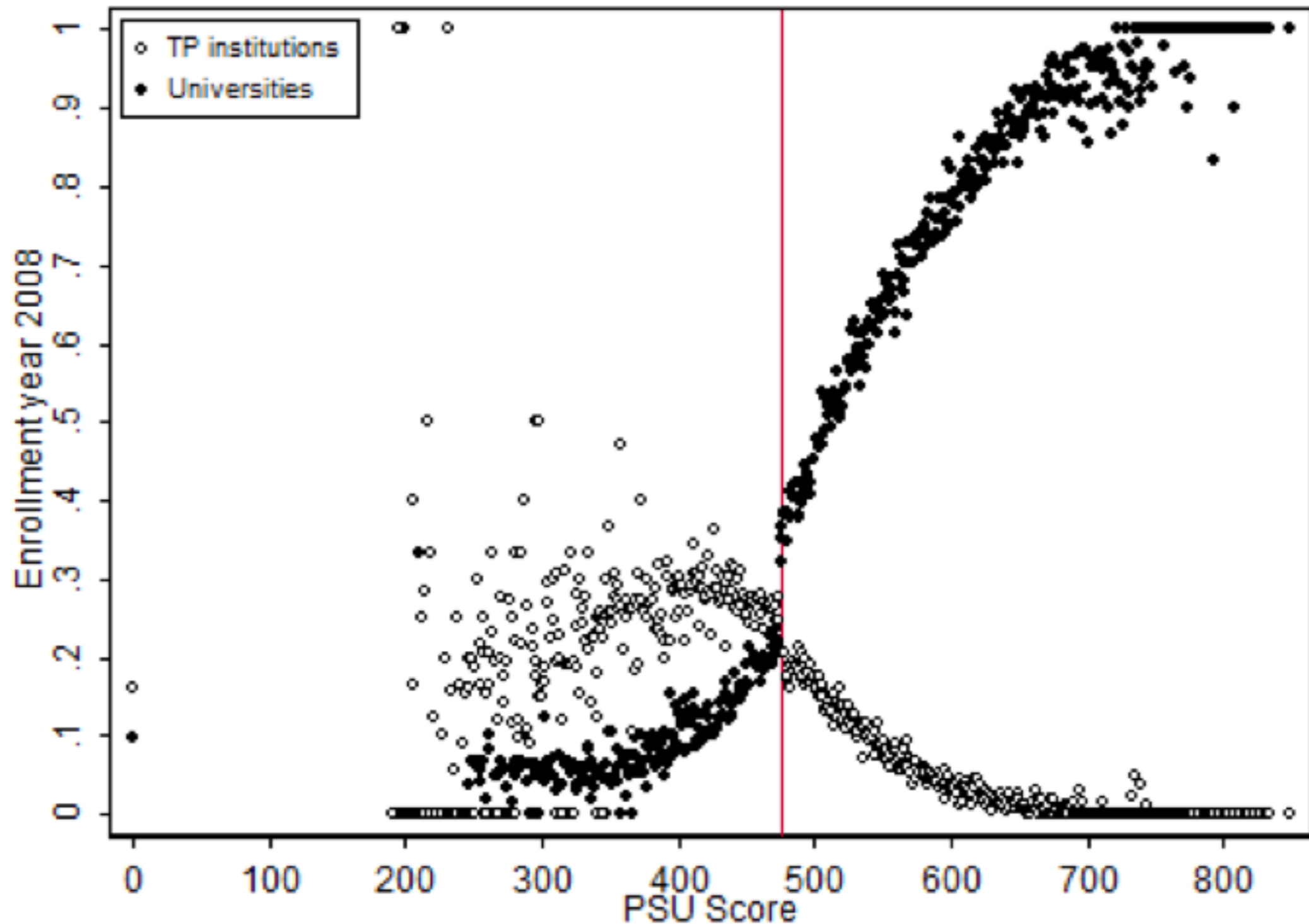
Median income compared with university graduated = 100

| | 1998 | 2017 |
|-----------------------|------|------|
| High School Graduates | 26.7 | 36.0 |
| HVET dropouts | 26.7 | 30.0 |
| HVET Graduates | 36.7 | 48.0 |
| University Dropouts | 50.0 | 45.0 |

Government subsidies and Choice

- ❖ Flores, Meneses & Paredes (2018) followed 317,000 applicants to universities & HiVet institutions in 2007.
- ❖ Following Cohodes & Goodman (2014), we used Sharp RD to identify causal effect from financing to choice.
 - ❖ Threshold at 475 score in a standardized test (bandwidth 45 points).

+ 13 pp in pbb of enrolling in a U; - 5 pp in pbb HiVet enrolling



HiVET or University?

- ❖ Ruiz-Tagle & Parede (El Trimestre Económico, 2019), use different choice models to check why and how students with sufficient test score choose between universities and a top ranked HiVET (Duoc UC).
- ❖ Findings:
 - ❖ They value shorter duration, and lower cost (both less valued when students have access to government financial aid).
 - ❖ Preference for universities is restricted to most selective, not all universities.

Good Practices in HiVET (Why things are changing)

- ❖ Investment in teachers, laboratories, and academical leveling programs.
- ❖ Self defined as a HiVET institution; complementary to university.
- ❖ Introduction of new teaching and evaluation methods through international consulting (State of Victoria; Tknica; Tec Monterrey).
- ❖ Enhancing national and international partnerships (Canada, Spain, China, Australia, Unevoc, Germany, Portugal; Entrepreneurial Associations).

Conclusions

- ❖ LSR exists, but more than a cultural problem, is a political issue.
- ❖ Evolution of K12 coverage in LDCs, suggests that HiVET enrollment will necessarily increase, because the pressure for HE cannot be satisfied through university enrollment.
- ❖ AI, Big Data, Industry 4.0 requires a huge change in education methods, HiVET included.
 - ❖ Need to introduce new competences, traditionally linked to universities, but that can be also be taught through HiVET methods, and quicker for curricula flexibility.