Challenges for Technical and Vocational Secondary Education in Latin America

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New realities

• In a rapidly (and increasing in speed) changing world...

• Perceived mismatch between

  the supply of human resources
  and
  the demand for human resources
New generations: new expectations

• In countries with long TVET tradition (Germany, Switzerland, Austria, and Belgium), only 17, 15, 12, and 15 percent, respectively of young adults aspire to access blue collar (even skilled) jobs related to TVE in the future. The average for the OECD is of only 10 per cent OECD (2004)

• One probable cause: TVET is not perceived as an option to access Higher Education, which has the highest returns and professional opportunities

• TVE and T do not substitute for a good formal education for expanding opportunities
Coverage of Education Systems in LAC 1980-2010

% of school age population attending

- Lower Secondary
  - 1980: 71.2
  - 1990: 76.2
  - 2000: 81.9
  - 2010: 87.6

- Upper Secondary
  - 1980: 39.0
  - 1990: 47.7
  - 2000: 58.3
  - 2010: 66.1

- Higher Education
  - 1980: 17.0
  - 1990: 28.5
  - 2000: 31.0
  - 2010: 34.0

Source: Author’s calculations from Household Survey data bank.
Returns to education in LA 1990-2011

Relative returns to schooling

Returns to Higher Education relative to Primary Education

Returns to Upper Secondary Education relative to Primary Education

Source: Author’s calculations.
Trends in Upper Secondary VET enrollment in LAC 1990-2010

Countries with increases in VET Enrollment

Countries with declines in VET Enrollment

(% in VET as a share of youth in the 16-18 age group)

Source: Author’s calculations from Household Survey data bank.
VET as a share of Upper Secondary Enrollment in LAC 2000s decade

% of 16-18 age group

Upper Secondary: 58.1, 61.6, 65.3
VET Upper Secondary: 22.6, 24.3, 24.7
VET/Total: 38.8, 39.4, 37.8

Source: Author’s calculations from Household Survey data bank.
% of students in upper Secondary VET by income group

Countries where the % in VET is higher in rich deciles

Countries where the % in VET is higher in poor deciles

(% in VET as a share of youth in upper Secondary)

<table>
<thead>
<tr>
<th>Country</th>
<th>% of youth in 30% poorest households in VET</th>
<th>% of youth in 10% richest households in VET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>95.5</td>
<td>63.6</td>
</tr>
<tr>
<td>Guatemala</td>
<td>60.3</td>
<td>47.3</td>
</tr>
<tr>
<td>Paraguay</td>
<td>56.2</td>
<td>60.3</td>
</tr>
<tr>
<td>El Salvador</td>
<td>54.4</td>
<td>65.2</td>
</tr>
<tr>
<td>Peru</td>
<td>9.4</td>
<td>9.5</td>
</tr>
<tr>
<td>Mexico</td>
<td>67.2</td>
<td>6.0</td>
</tr>
<tr>
<td>Honduras</td>
<td>46.7</td>
<td>21.0</td>
</tr>
<tr>
<td>Argentina</td>
<td>42.6</td>
<td>15.1</td>
</tr>
<tr>
<td>Uruguay</td>
<td>7.5</td>
<td>15.0</td>
</tr>
<tr>
<td>Colombia</td>
<td>5.7</td>
<td>5.3</td>
</tr>
</tbody>
</table>

Source: Author’s calculations from Household Survey data bank.
Returns to TVE Upper Secondary schooling with respect to General Upper Secondary

Returns to TVE Upper Sec/ General Upper Sec

- Panamá: 1.03 (2000-2004), 1.02 (2005-2010)
- El Salvador: 0.93 (2000-2004), 0.99 (2005-2010)
- Costa Rica: 0.95 (2000-2004), 0.92 (2005-2010)
- Uruguay: 0.80 (2000-2004), 0.87 (2005-2010)
- Argentina: 1.04 (2000-2004), 0.77 (2005-2010)
- Honduras: 0.53 (2000-2004), 0.79 (2005-2010)

Source: Author's calculations from Household Survey data bank.
Returns to TVE Upper Secondary schooling with respect to General Upper Secondary for males and females

Source: Author’s calculations from Household Survey data bank.
In Mexico

• Recent mobility survey:
  - For 95% of parents, the aspiration is that their children will reach Higher Education (even when the perceived probability is low). Only 5% have the aspiration that their children will reach up to a technical education degree

• For youth graduating from lower Secondary, TVE is not the first option...
TVE as a second class choice?

Mexico: revealed preferences for TVE vs General upper Secondary among 15 year old students

Source: Author’s processing of the data base with the full results of the COMIPEMS examination, 1996-2009
• Options for TVET:
  – TVET provision through the use of existing mechanisms such as Certification where
    – Standards are set by employers (not by the state)
    – Credible high quality training institutions
    – Credible high quality evaluation processes and institutions
    – Credible high quality certification processes sponsored by credible actors
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