

Analysis of the Opposition's Proposal to face the Student Conflict

The document's focal point shelves the quality issue in order to emphasize financial and administration matters which should be dealt with once the adjustments to the current education system are defined. Although it is positive that proposals like this put some order in the debate, they contain many petitions from the student movement aiming at discriminating between types of institutions for public grants and privileging higher education above school and preschool education.

The Opposition delivered this week a document presenting its proposal on the education subjects discussed during the last months. Although the intention to reach agreements and conciliate the parties involved is worth highlighting, there are neither new proposals nor solutions to the problems being currently debated.

As to the focal point of the proposal, it is not centered on educational quality improvement, except when mentioning the accreditation issue, but mainly on financing. In fact, the concept of "teacher evaluation", which is a demonstrated key factor for quality, is not mentioned even once in the text.

Additionally, the document adopts the proposals of certain interest groups, for example, the universities of the Council of Rectors (CRUCH) that are specially benefited with the proposed measures, above the most vulnerable students or those with merits, which are the ones which should be emphasized.

They maintain the idea to gradually put an end to for-profit schools and technical training institutions. This endangers not only teaching freedom, but mainly the right of students and their families to choose the education institution they want, as far as it offers good quality. It should not be forgotten that currently it is this type of institutions which allow educating 30% of school students, and great part of the

technical-professional higher education students. Furthermore, there is no evidence showing that this kind of institution is harmful; on the contrary, they have been crucial in extending coverage. What is needed is more transparency and supervision, so as to ensure that resources are correctly used to improve the standards and achieve the goals for education.

The document points out that, as Opposition, they will soon formulate a proposal of their own concerning public school education and de-municipalization, in order to create a “public, national, decentralized, participative, inclusive and cost-free” education system. We shall see if this new proposal answers and clears all doubts in this highly complex matter. It is upheld that “transition must avoid generating an historical debt”, so it shall be interesting to listen how to achieve it. Although de-municipalization is a much repeated idea, it does not seem likely to find a better alternative system and the solution should point at improving the current system (which, strictly speaking, has not ended its decentralization process, since the Ministry of Education still takes decisions on teacher’s hiring and wages and education planning) instead of creating new institutions that leave many doubts about its operation, administration, financing and accountability.

As to financing, the unification of the scholarships and loans system is brought up, in line with the Government’s proposal. In relation to cost-free education, they propose that, in a first stage, it should reach 70% of those with less resources attending CRUCH universities (“as long as these academic units are subject to more rigorous controls and regulations”) and, in a second stage, cost-free education for students choosing any higher education institution that complies with the quality standards. Concerning this point, we must first state that there is no need to offer cost-free education to 70% of the students, who will have an income after finishing their career and, therefore, a paying capacity similar to the students from the remaining 30%.

Second, it is not justified to start giving benefits to students choosing CRUCH universities only, as long as they do not demonstrate enough merits that rank them above the rest of the institutions, considering also that this could entail the undesired consequence that only students with immediate paying capacity are enrolled in private universities. Table 1 shows the distribution of students by socio-economic condition according to the type of institution in 2009 (2011 registers an enrollment increase, but these values serve as a reference).

The Opposition proposes to offer cost-free education to the more than 150 thousand students belonging to the poorest 70% of the population who study in CRUCH universities, from which more than half are between deciles 5 and 7, and leave out more than 130 thousand students of quintiles 1 to 4 attending non-CRUCH universities or technical-professional training institutions. It is clear that, rather than including up to 70%, it is more convenient to give the benefit to the poorest that are not in the CRUCH universities.

Table 1

HIGHER EDUCATION STUDENTS BY TYPE OF INSTITUTION
YEAR 2009 (UP TO 25 YEARS)

Institution	Poorest 40% (decile 1 to 4)	Poorest 60% (decile 1 to 6)	Poorest 70% (decile 1 to 7)
CFT and IP*	84,487 (40%)	141,478 (39%)	170,045 (38%)
CRUCH	75,034 (35%)	124,323 (34%)	153,763 (34%)
Private University	52,782 (25%)	97,812 (27%)	124,248 (28%)
Total	212,303	363,613	448,056

Source: Prepared by LyD based on CASEN Survey 2009.

* Technical Training Center and Professional Institute

** The percentage represented by each value of the total number of students in that decile range is shown in brackets.

With regard to the fees, they suggest a control mechanism and that the universities should not make charges in addition to the student aids. Once more, it corresponds to public and private institutions to correctly define the fees and not transfer inefficiencies to the State through higher monthly fees which shall be covered by scholarships. It is not possible to demand financing from the State as long as there is no transparency regarding the correct use of the resources currently received by universities. On the other hand, it is not recommendable to fix fees, since fixing prices arbitrarily will never get the correct value; it would be more adequate to use a price range with a ceiling that cannot be exceeded.

The document underlines that it will not be allowed to “open financial instruments to all institutions alike, because it only leads to an asset erosion of traditional universities”. Actually, it is imperative to make a distinction, but according to quality and standard compliance. To believe that this will entail an asset erosion of traditional universities is to accept that these are worst than the others, and that students will not choose them.

They also indicate that Direct Public Grant funds (AFD, *Aporte Fiscal Directo*) should be adjusted, increasing them by 10% and 5% real during the next few years, and mechanisms to correct their allocation should be created, in addition to the implementation of Regular Grants to public universities. In our opinion, it is advisable to adjust the allocation criteria of the AFD, however, we must once again not overlook that financing must be aimed at good universities, a characteristic that is not associated to the fact of belonging or not to the CRUCH group. Distinction must be made according to educational quality and standard compliance. Moreover, the adjustment values (10% and 5%) are arbitrary, and we do not understand the reason for choosing these growth rates, since they are not aimed at covering any specific higher financing necessity. Table 2 shows how public grants to universities (direct and indirect, without considering student aids) have grown, especially to those belonging to the CRUCH.

Table 2

PUBLIC GRANTS (DIRECT AND INDIRECT) BY TYPE OF
INSTITUTION
1990-2010 (CLP\$ million 2010)

	1990	1995	2000	2005	2010	Change
Total Grants	92,315	130,987	148,903	156,300	171,981	86%
CRUCH Universities	88,719	127,890	145,700	152,661	167,139	88%
Direct Public Grant	69,767	106,473	126,764	134,825	150,793	116%
Indirect Public Grant	18,952	21,417	18,936	17,836	16,345	-14%
Non-CRUCH Universities	1,957	2,728	3,035	3,453	4,608	135%
IP and CFT*	1,639	368	168	186	137	-92%

Source: www.sies.cl

* Professional Institute and Technical Training Center

It should not be forgotten that there are also rights and duties; higher education institutions must equally fulfill standards and transparency aspects, regardless of being public or private. Cost-free education has to benefit students, not educational institutions; therefore, this benefit must belong to the student and the student has the right to choose the institution he wants and receive public financing, if he deserves it, for the career and the academic unit he prefers.

As to the measures concerning school and preschool education, the document indicates that the latter requires immediate attention, however, neither is a proposal outlined in this respect. It is not enough to extend coverage if there is no quality project available; in fact there is evidence that low quality preschool education is worst than leaving the child at home.ⁱ Regarding school education, they state the need to acknowledge the teachers' benefits concerning post-work bonusⁱⁱ and retirement incentive, increase the resources so as to advance towards the elimination of shared financing, modify the subsidy system which depends on attendance, and take "the necessary measures to avoid an irrational expansion of new private subsidized institutions".

First of all, duties are left out again; the main point is to evaluate teachers, support those who do not show good results and reward those who do obtain them, thus incentivizing their continuous improvement. Second, it is not reasonable to eliminate a source of resources such as shared financing, especially if families are willing to pay for good education for their children. The right thing is to rank the subsidy, so that it actually represents the cost of educating each student, and this is precisely what is being done and it is sought to do in the future. Additionally, attendance must continue to be the most important criterion that conditions the subsidy, since it is not enough that a student enrolls in a school, the important thing is that he really attends it. Finally, it is impossible to defend the idea pretending to fix the number of institutions; it means to limit the schools entry and exit, and therefore to abridge the right of families to choose.

Concerning the technical-professional education, the document proposes to update the offer of careers and modernize the existing ones, and also to create a network of public Technical Training Centers and Professional Institutes. Although the first one is necessary, the second one is inconvenient, because it is not a good idea to create institutions that could become unsustainable, without even knowing if there is going to be enough demand for them.

Finally, they propose to build a reform fund for permanent education, maintain the 20% income tax, and transfer some of the copper resources allocated to the Armed Forces to this fund. Likewise, they approve of a tax reform that generates permanent earnings to meet the expenditures on education. This matter exceeds the strictly educational field; in order to give an opinion it would be necessary to have the projects and their capital requirements available. The objective is not to collect for the sake of collecting, but to have an

adequate plan first. The correct direction is to decide good educational policies and then determine the costs, and not to seek for resources and then see what to do with them.

ⁱ Bernal, R., "The Effect of Maternal Employment and Child Care on Children's Cognitive Development". *International Economic Review*, 2008, 49: 1173-1209.

ⁱⁱ Monthly bonus of CLP\$ 50,000 to improve the retirement conditions of the public sector workers who have low replacement rates in their pensions (Law Nr 20,305). The bonus is given for a lifetime and it is not taxable (Note from the Translator)