Vocational training in Latin America

Introduction

The first half of the 1990s brought about considerable changes in vocational training policy in many Latin American countries. This article examines the consequent modifications in vocational training systems, and in the previously highly centralised organisations which deliver education. These modifications are not yet complete. The changes in Latin American education systems have come about as a consequence of the widespread shortcomings of the established educational agencies in the provision of training. These shortcomings have become very evident with the opening up of markets in the wake of globalisation and the unification of economic areas (e.g. Mercosur). The inadequacies were nonetheless already evident in the 1980s. Their structural causes will be considered below.

Today, it can be observed in many countries of central and south America that:

a) the monopoly of training enjoyed by traditional vocational training establishments appointed by the state has been broken. Increased competition in education markets calls for considerable institutional changes on the part of the traditional organisations;

b) medium-sized and large enterprises are having an increasing influence on the arrangements for vocational learning and are questioning the payroll training levy imposed by law for the funding of traditional education and training providers. They no longer wish to surrender this money, but are demanding to retain their contributions for their own company-based initial and continuing training provision at a time of rapid technological change;

c) the traditional division of responsibilities in vocational education and training between the Ministries of Labour and Education, and the consequent areas of competency, are being called into question in favour of greater flexibility.

These attitudes and developmental trends are also being discussed increasingly in the European vocational training scene.

Current developments in Latin America cannot be adequately explained without a brief discussion of the circumstances in which the vocational training organisations ‘typical’ of that continent were established. This article will therefore:

a) explore the historical development of Latin American vocational training organisations, and identify their particular characteristics;

b) examine their weaknesses, and their attempts to adapt systemically to changes in the economic, technological and social environment;

c) make suggestions for a changed and more efficient training landscape in Latin America.

This article is based largely on experiences in Chile, Colombia, Costa Rica, and Peru, where the changes referred to above are currently most in evidence, although to varying degrees. Brazil is in many respects a special case, and will not be considered here.

Historical background

Economic and social development in Latin America was boosted in the 1940s and 1950s by wars in Europe and Korea, and the consequent war production in the United States. The wartime economy of the United States led to greater demand in Latin America for raw materials, semi-finished industrial goods and foodstuffs.
These developments placed greater training demands on industries that were slowly becoming established. With the help of the International Labour Organisation (ILO), similar organisations were set up throughout the continent to provide initial and continuing vocational training. With the exception of a few countries such as Mexico and Uruguay, these typically had a number of common features.

They were subject to Ministries of Labour with no legal or institutional connection with the existing technical secondary schools run by Ministries of Education, which, generally, provide broad technical qualifications in a range of occupations, which can also lead to higher education. Because of the possibility of moving on to higher education, the technical courses offered in secondary schools are known as educación técnica, while the vocational training provided under the aegis of Ministries of Labour is termed, somewhat dismissively, formación profesional. Since vocational courses do not lead to university education, these supplementary, free courses are also referred to as educación no formal. They often last only one or two years, and their purpose is to provide practical vocational training in industrial and craft trades. Moreover, they aim to respond to the socio-political needs of the less well off section of the population.

The initial and continuing vocational training provided by these typical institutions in classroom-based teaching centres is controlled by a system of so-called tripartismo, in which the state, employers and representatives of the trade unions are supposed to have equal shares in determining the policy of these organisations and in responsibility for their operation and development. The main social actors have thus been closely involved, through a formal mechanism for agreement and models of management that assume agreement, in planning and guiding the vocational training establishments subject to Ministries of Labour.

The compulsory levy imposed by law on employers in practically all Latin American countries has ensured that these training providers have received consistent and substantial funding. Employers’ levels of contribution have varied from country to country according to size of enterprise (payments being compulsory for any business with five or more employees) and the nominal size of the wage and salary bill (between 0.5 and 2%). These payments have been levied together with social security contributions and passed on to the vocational training establishments subject to Ministries of Labour (Atchoarena 1998). For a long time, therefore, Latin America has practised what is currently being proposed in Germany: employers are required to fund vocational training through a training levy, and this training is provided in traditional vocational training centres by bodies not tied to particular companies, unlike in Europe.

This arrangement has provided the regulatory framework for the development of a system of vocational training outside the technical secondary schools and the Ministries of Education. The numerous regulations underpinning these quasi-governmental training establishments provided industry in the 1960s and 1970s with a body of skilled workers that was more or less adequate in quantity and quality. At the same time, disadvantaged sections of the population were involved more closely in society by being drawn into some form of education through the flexible provision of initial and continuing vocational training. The formal education provided under the aegis of Ministries of Education was complemented by vocational training establishments under Ministries of Labour addressed above all to those sections of the population who had for various reasons dropped out of Ministry of Education courses. These establishments, with their one-year and two-year initial training, and continuing training courses, became an indispensable adjunct to the provision of Ministries of Education and took on the educational responsibility associated with a welfare State for providing some institutional security for poorer sections of the population.

This is one of the reasons why private companies have launched, and still launch, few initiatives of their own in vocational training. The guaranteed involvement of poorer sections of the population in vocational training provided under the aegis of Ministries of Labour but...
funded by enterprises (systemically guaranteed by the state) was intended to ensure that employers had a supply of skilled workers. But this was an assumption that was not sustainable in the long term, since training moved into academic training centres that were removed from places of employment.

Because of worldwide changes in the division of labour, and as a result of the economic recession in all Latin American countries in the 1980s (known colloquially as the ‘lost decade’) brought about by a policy of so-called import substitution (tariff barriers to protect local markets), these training providers were vehemently criticised, largely by the employers. Against background of falling market prospects, business bemoaned above all the obsolescence and lack of practical relevance of the vocational training provided. The causes of this criticism are to be found in:

a) worldwide trends in economic development and systematic neglect of the workplace as a place of learning;

b) the excessive socio-political burden placed on these training organisations, their structure and operational systems.

Weaknesses of traditional vocational training provision

The increasingly burdensome function of socio-political integration of poorer sections of the population imposed on training organisations led in the 1980s to a widespread failure to deliver. Some examples are outlined below.

The majority of training providers deal with all sectors of the economy and pursued their own purposes in the crisis-ridden 1980s, expanding the quantity of (short) training courses of questionable quality for political ends. These failed to meet the needs of employers but appeared impressive because they produced higher enrolment figures.

The training providers not only run courses but are also required to act as their own monitoring and support agency (similar to the role of the Federal Institute of Vocational Education in Germany). At the same time, they are supposed to plan training provision professionally in response to employers’ demands and the needs of the population. In an education and training landscape that is changing because of technological developments, the shortcomings in the training of their own staff means that the establishments have not had the potential required to meet the complex tasks of revising the system (e.g. updating the content of the vocational training) to match changes in economic circumstances, technology and infrastructures.

Private providers have seen improved prospects in the largely unregulated training market that has come into being. Even though some provision is questionable, this has led to a further loss in the prestige of the established providers, which have had to argue ever harder for continued payroll funding by industry and craft trades.

Furthermore, three strongly hierarchical levels of functioning can also be identified as weaknesses, alongside the failure to modernise the system.

Firstly, the level of delivery of vocational training: teachers and trainers are directly charged with delivering vocational initial and continuing training although, significantly, there is in Latin America no training (of various types) for vocational teachers that is comparable to training in European countries. Those appointed are generally either graduates of the self-same courses, or, increasingly, unemployed engineers who have no training in education or have received at best a quick dose of basic rudimentary training. In the almost school-like centre-based training given by the traditional training providers it is evident how quickly skills in such fields as electronics and electrical technology become outdated without adequate professional training.

Secondly, the level of planning and management: this level includes curriculum developers, planners of training and heads of centres. Some of these professionals show weaknesses for much the same reasons as teachers, i.e. because they lack proper training. Moreover, appointments
are often made at this level for political reasons rather than by virtue of professional ability.

Thirdly, the level of decision-making, which is heavily politicised: management teams in the vocational training establishments have not demonstrated well-founded professional knowledge and appropriate management skills, but have been appointed because of the political and meritocratic influence exercised by their own interest groups in society, which care relatively little about matters to do with the internal and external effectiveness of vocational training systems.

Weaknesses have not, however, been confined to the faults of particular groups, but relate also to the entire manner in which these systems have operated. The major weaknesses are discussed below.

There has been a lack of ‘interfaces’ in the organisation of training establishments, since they have seen themselves as State agencies: limited responsibility, and the accompanying overloading of middle and senior management with bureaucratic tasks, have prevented the cooperation that would have improved internal organisation, and have made the planning, arrangement and implementation of training courses time-consuming because of the excessive division of labour. These organisations’ provision has therefore lost proverbial contact with the current situation at the workplace, especially as it has been given in academic centres.

The absence of strategies for overall staff and organisational development has led to questionable attempts at updating to match changed needs and requirements: this has had a detrimental impact on the level of skills among the professional staff, who have tended to carry out the tasks required by each autonomous establishment, rather than providing a service to customers by responding rapidly to employers’ immediate practical needs. The more glaring the obvious inability to offer training provision of relevance to employers has become, the more establishments have stressed their autonomy and monopoly of responsibility.

In the final analysis, tripartismo has been unable to offer training courses that respond to needs and relate to practice: the supervisory boards of these organisations, whose members were appointed largely for political reasons by the State, trade unions and employers, have degenerated into disputatious and divergent interest groups of social actors, who have failed in the event to fulfil their decision-making tasks of planning and updating vocational training provision. The latent politicisation of the establishments has led to the obsolescence of their provision: the formally agreed manner of operation of the entire sub-system of vocational training has ignored the real level of practical cooperation between public and private places of learning and has shifted this ‘co-operation’ on to a multi-layered plane of bureaucracy which has failed to meet employers’ practical requirements.

Hence, in the 1980s, it became increasingly difficult to argue the case for vocational training in these organisations, given constantly falling cost-effectiveness and efficiency despite expansion of provision in all three sectors of the economy and the consequent rise in the (bureaucratic) complexity of operation: ‘A high degree of organisational complexity means above all that a system displays … a high level of specific selectivity towards its environments. The practical consequence of this is that it behaves indifferent to most of what happens in its environment … It insists on having room to put forward its own possibilities and alternatives, and takes decisions that agree with its own perception of itself. This all places considerable difficulties in the way of intervention and change in organisations…’ (Willke, 1996, p. 148).

**Political tasks and institutional adaptation**

The current changes in vocational training in Chile, Colombia, Costa Rica and Peru are tackling the problems set out above. Their education and training systems can only be described in outline.

The most far-reaching updating (throughout the field of education and training) can be seen in Chile (Arnold/Krammenschneider 1997). As a result of neo-liberal economic policy, the state has largely
withdrawn from the delivery of vocational education and training. In the field covered by the Ministry of Education, grades nine to twelve may either offer conventional general education or broad vocational preparation (in technical secondary schools). These courses also lead, however, to an examination granting access to higher education. A school may be:

a) run by the local authority and receive a modest State grant (per pupil);
b) private and still receive this State grant plus fees from the beneficiaries or their parents; or
c) run privately and maintained exclusively out of the contributions of the beneficiaries.

The curricula laid down by the Ministry of Education, and legal supervision by the Ministry, are compulsory for all types of school. The schools of highest quality, according to national evaluations, have so far been the private establishments providing general and vocational education since their services are in high demand and are paid for by those sections of the population who can afford them.

The Chilean state has withdrawn to a model of minimum provision, the quality of which can only be guaranteed for certain if the beneficiaries help to fund it, or fund it in total. In practice, leaving qualifications that are formally identical vary greatly, as in Asia, in accordance with the actual quality of individual secondary schools. Employers recruit, in accordance with their economic potential and skills requirements, from the full range of secondary schools of varying quality.

This largely market approach, with basic state provision, has led the Ministry of Education to draw up a special programme for the schools of poorest quality. The worst tenth of the state schools, according to evaluations, are to receive additional state aid for teacher training, supplementary teaching and training materials, etc. Thus, even in Chile, the state is intervening to control purely market solutions (Clement 1998).

The vocational training previously provided by Inacap (Instituto Nacional de Capacitación) – a traditional organisation dependent on the Ministry of Labour – has been completely privatised. This sponsoring body, which continues to exist, must earn its money by offering training in the market place. This includes activities for which the Chilean state invites bids from the education and training market and which are then carried out by the cheapest private body, which may be Inacap. The funding of Inacap from a payroll levy, which used to be more or less forcibly governed by legislation, has been completely abolished. An incentive for employers has remained, however: up to one per cent of the wage and salary bill spent on staff training can be set off as expenses against tax. This one per cent is passed on by employers, in the booming construction industry for example, to bodies providing training for particular industries – so-called corporaciones. These are not tied to individual companies and, in return, provide initial and continuing training for member companies in particular sectors.

In Costa Rica, too, traditional training providers dependent on the Ministry of Labour have been heavily criticised. The first changes in these institutions and in their manner of organisation are now being seen: continuing training which responds to needs has been set up for proprietors of small enterprises, who had previously constantly criticised the activities of INA (Instituto Nacional de Aprendizaje), which had little to do with practice. Moreover, that body has established a department of dual training. This is intended to expand initial vocational training in accordance with a nationwide model, and in collaboration with employers.

So far, this department has had little power, however, and criticises the unwillingness to cooperate of many employers, who acknowledge the need for vocational training but whose behaviour and commitment appear to be limited to the passive payment to INA of a two per cent payroll levy. The private sector should accept greater responsibility for vocational training, for which there is, as the system is presently configured, insufficient legislation and inadequate institutional arrangements at the level of implementation.

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“Policy in Costa Rica has, (...) given greater recognition to the role of education and vocational training in the general development of the country and in the encouragement of domestic and foreign companies. A commission of enquiry is to examine the provision and quality of implementation of all vocational training provided under the aegis of the Ministries of Education and Labour, and to make recommendations for reform. These will concern both the social actors – primarily the employers – and issues of funding and certification throughout the system (with the emphasis on greater portability by upgrading INA qualifications).

The performance profile of INA is also to be strengthened. Skills that cannot be taught because the physical infrastructure is lacking or the institution does not have the know-how are to be transferred to private training providers. In a manner similar to that of the German employment service, contracts will be issued on the basis of criteria devised by the Institute itself, which will reserve the right at any time to monitor and evaluate the activities carried out on its behalf.

In Colombia, institutional changes and updating of the system can also be observed at SENA (Servicio Nacional de Aprendizaje). (...) SENA must now spend a proportion of the two per cent payroll levy on specific vocational training activities agreed with employers.

In Peru, huge strides have been made in education and vocational training in the general development of the country and in the encouragement of domestic and foreign companies. SENA has, moreover, set up so-called round tables (mesas redondas) with employers’ organisations in the various sectors of industry. The purpose of these is to discuss technological changes and their consequences for existing provision of initial and continuing vocational training with the specialist staff concerned in industry. The direct involvement of business personnel is intended to circumvent the political abuse of tripartismo by senior government officials and to keep training courses up to date. For the first time, SENA has set up mechanisms for cooperation with local employers at the level of implementation. This is still regarded as one of the strengths of the dual system: while that system may not be transferable, it is once again attracting much interest among many Latin American experts (in a form appropriate to each country, and with learning organised in modules).

In Peru, huge strides have been made in updating what used to be a traditional training organisation subject to the Ministry of Labour. The path chosen appears sensible for many countries in Latin America, and responds to:

a) the structural requirements of vocational training guided by the market, incidentally relieving the empty state coffers by obliging the beneficiaries of vocational training to pay for it through fees and contributions;

b) the socio-political demands of poorer sections of the population, whose occupational careers at best begin with training as skilled workers. Such qualifications are increasingly being taught in Peru.

SENA (Servicio Nacional de Adiestramiento en Trabajo Industrial) has been transformed by decree from a traditional, quasi-governmental institution run by tripartismo into a modern, market-oriented service provider. Freed from Chilean stop-go neo-liberalism, the institution has had enough time to adapt systemically to changed circumstances. The previous cosy funding from the payroll levy has been cut over a period of five years from 1.5% to a guaranteed 0.75%, and at the same time the threshold for contributions has been raised from companies with five to those with 20 employees. SENA may retain only 15% of all the funds available to it to cover its own staff and administration costs, and the remainder must be spent on the vocational training for which it was set up, including payment of the specialist staff needed. The spread of bureaucracy has thus been checked more or less by fiat.

The organisation may also sell skills training on the market, and this it is doing successfully now that it receives less funding from the payroll levy. The guaranteed 0.75% from employers’ wage and salary
The outstanding feature is that the monolithic block of Latin American vocational training organisations has in recent decades been breaking down and undergoing tumultuous change. In all the four countries mentioned, the former enshrinement in legislation of their monopoly of responsibility and substantial funding have not succeeded in ensuring:

a) either the long-term quality of provision of initial and continuing vocational training; or

b) keeping the design and content of these up to date.

The complicated manner in which such (sub-)systems have operated in an increasingly complex environment can therefore no longer be reduced in Latin America to so-called ‘basic factors’: money and legal guarantees are not enough to ensure the ability of vocational training to deliver per se (quality, high enrolment and graduation figures, low subsequent unemployment, etc.). The example of Peru shows that organisations work more efficiently with less money and fewer staff. The debate about funding vocational training in Germany and other European states by means of a levy is heading in almost the opposite direction, however.

In the 1990s, the organisations underwent changes, some of which were common, and some different. These can best be described in terms of decentralisation and privatisation, or genuine involvement by the productive sector, through the gradual erosion of the erstwhile monopoly. The organisations must now hold their own in the complex mesh of interests in Latin American societies. This process of ‘finding themselves’ has much to do with the traditional burden of excess objectives that could not be achieved through vocational training: in addition to the tasks for which they were set up, the organisations were supposed to satisfy the socio-political (and educational) needs of a population that was frequently very poor. Vocational training was intended to combat poverty, although training can at best provide only a rudimentary solution (Wallenborn 1998).

At the moment it appears as though the vocational training establishments on the continent are defining their ‘core business’ by greater reference to the market, and especially to employers. This cooperation calls for staff and organisational development, so that vocational training organisations can become effective and respected partners of local employers. This in turn means mounting appropriate professional initial and continuing training. Insufficient training of vocational training staff remains a crucial stumbling block for the organisations described: inadequate and inefficient systems of teacher training still hinder intended improvements in institutional standards of quality throughout the system.

The discussion of modularisation of vocational training – seen almost as a cure-all – which has arisen in recent years in Latin America will change nothing about this stumbling block (see Reuling 1998 or Cinterfor 1997), since the undoubtedly advantages of greater flexibility of courses do not affect the problem of quality of vocational provision. There are still some illusions that teaching of good quality can be achieved by means of regulation, while teachers’ and trainers’ actual skills remain (largely) unchanged.

In future there will therefore be a huge increase in the prime importance of further training for professional and management staff working for training providers in Latin America. The focus of further training will remain on teaching staff (teachers and trainers): only through improved skills are they able to deliver better teaching.

Cooperation between colleges and business will become increasingly important in the further training of these teachers.
This will both provide a flexible response to skills shortages, and tend to break down even further the institutional autonomy of traditional training providers. There is no way of knowing at present, however, whether all traditional Latin American training institutions will be able to survive in a changed economic environment. Strategies for providing initial and further training for their own staff will need to be accompanied by changes within the institutions, and throughout the system, to meet the training needs of the economy more closely. On this side of the Atlantic there are at present no generalisable cure-all strategies. Instead, we hear of individual ‘success stories’, which need to be introduced jointly by the social actors into the system in order to produce the best conditions.

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