

# Policy Shifts between State and Market: The Politics of Administrative and Financial Reform in Chile

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## About this country brief

The RISE Programme is a seven-year research effort that seeks to understand what features make education systems coherent and effective in their context and how the complex dynamics within a system allow policies to be successful. RISE had research teams in seven countries: Ethiopia, India, Indonesia, Nigeria, Pakistan, Tanzania, and Vietnam. It also commissioned research by education specialists in Chile, Egypt, Kenya, Peru, and South Africa.

Those researchers tested ideas about how the determinants of learning lie more in the realm of politics and particularly in the interests of elites. They focused on how the political conditions have (or have not) put learning at the center of education systems while understanding the challenges of doing so.

Each country team produced a detailed study pursuing answers to two central research questions:

- Did the country prioritise learning over access, and if so, during what periods?
- What role did politics play in the key decisions and how?

The full studies detail their analytical frameworks, their data, and sources (generally interviews, government internal documents and reports, and other local and international publications), and the power of their assessments, given their caveats and limitations. Country briefs extract from the full studies how leadership, governance, teaching, and societal engagement are pertinent to student outcomes.

## Introduction

For 17 years starting in 1973, Chile was ruled by a military dictatorship under Augusto Pinochet—after 143 years of almost uninterrupted liberal democracy. In 1981, a large-scale reform of the social sectors—including health, education, and pensions—was prepared by the so-called “Chicago Boys”—following Milton Friedman’s neoliberal teachings.<sup>1</sup>

The financial and administrative reforms for education included competition, decentralization, and privatization, transferring public education to municipalities, and introducing a voucher system so that private subsidized schools and municipal schools could compete.<sup>2</sup> Catholic schools and private charities had received state subsidies through vouchers, “Subvenciones educacionales,” at least since the beginning of the 20<sup>th</sup> Century.<sup>3</sup> They were intended not to cover the full costs of provision, but to complement private donations. The voucher system was revamped to provide the same per student subsidy to municipal and private subsidized schools.

For the transfers of schools to the municipalities, a new legal entity was created to administer a school and named “Sostenedor,” which might be a municipality or a private individual owning one or more schools. This entity diversified state provision, and increased competition as teachers lost their civil servant status and the Ministry was no longer obliged to pay their salaries. Each municipality was responsible for hiring and firing teachers and for determining their salaries.

Since the return to democracy in 1990, Chile has built a consensus on the objective of educational quality and pursued it systematically, if incrementally. The Concertación, a center-left coalition of parties, privileged education and health, opposed by a right wing and its agenda favoring lower taxes and direct cash transfers to the poor. The key problem at the time was the lack of resources. Along with an increase in resources and programs, the technical capacities in the Ministry of Education gradually improved, thanks to faster economic growth. Key turning points in educational budget, 1994–96 and 2008–09, were associated with technical arguments advanced by the Ministry of Education that made economic sense to the Ministry of Finance. The center-left “Concertación” coalition won four consecutive presidential elections before losing to the right-wing coalition in 2010.

### The Concertación’s policy shifts

The Concertación’s economic policies were very much in line with the Washington consensus and mainstream thinking in international financial organizations, combining fiscal balance with a mix of social policies targeted to the poor as well as more spending on human capital. The lack of resources in 1990 led to a strategy to control social demands and deter popular involvement in governing.<sup>4</sup> This led, until the mid-2000s, to policymaking by experts and was extremely top-down. An additional fear at the beginning of the period was the possibility of a military backlash, since Pinochet remained chief of the army.

The Concertación had “two souls,” one that valued the strengths of markets for growth and innovation and that attempted to better regulate market failures, while the other was more critical of Pinochet’s legacy of decentralization, privatization, and competition and demanded more voice in public provision.<sup>5</sup> The two souls were formalized by two documents. The first, dubbed the *self-complacent* manifesto, “Renewing the Concertación: The Strength of Our Ideas”

was signed in May 1998 by 59 Concertación party members. The second, dubbed the *self-flagellant* manifesto, “The People Are Right: Thoughts on the Concertación’s Responsibilities during Current Times,” was signed in June 1998 by 146 party members and significant figures from academia, unions, and culture.

These two positions within the Concertación expressed themselves in the education sector, one favoring better regulation of the market, and the other valuing public education at the symbolic level but without a clear proposal for how to improve it. Both emphasized equity but disagreed on the extent of concessions to exchange for efficiency. An example of this is the “shared financing” reform, which allowed publicly funded schools to charge a fee to families to “better fund” their education.<sup>6</sup> The reform accepted jeopardizing equity in exchange for more private resources in education, allowing better targeting of fiscal resources as the value of the voucher was reduced along with the fees charged to parents. This reform was supported by the right-wing coalition, which favored strengthening freedom of choice by parents and providing more resources to private voucher schools, a concession in exchange for right-wing representatives approving a tax increase in 1993.

During most of 1990–2010, right-wing parties were mostly reactive to the initiatives of the executive branch. As their preferred educational and social institutional arrangements had already been established by the dictatorship, they mostly assumed a defense of the status quo, resisting regulations and any initiative interfering with “freedom of enterprise.”<sup>7</sup>

In education, the key political issue for this group has been the status of the principle “libertad de enseñanza,” whose literal translation is teaching freedom but more closely resembles enterprise freedom. As interpreted in Chile, teaching freedom does not refer to teachers’ autonomy but establishes that any entrepreneur, for any reason (religious, for profit), is entitled to set up a new school and set any rules within the school if it has the qualified teachers and facilities and applies the national curriculum. The teaching freedom was also interpreted to allow private schools (voucher or not) to exclude students on religious, socioeconomic, or other bases, such as pregnancy. In the mid-10s, for-profit education and the possibility of school’s selecting students were forbidden. Shared financing was also to be gradually extinguished, in proportion to increases in the voucher’s value.

This emphasis on teaching freedom also emphasized school autonomy, coherent with a view that markets should not be regulated. In general, right-wing parties have opposed policies perceived as restricting management (Sostenedores) freedom. But they also attempted to protect their constituency’s employment (school directors and municipal education directors appointed during the dictatorship).

### ***Educational quality as a policy objective***

A key objective of the 1990s was modernizing and democratizing the curriculum. But the Pinochet government had defined the rules for any changes to the curriculum. The Ministry could propose changes, but a semiautonomous agency—the Superior Education Council—had to accept or reject the proposal. This clearly was a controversial issue within and between political coalitions. Moreover, the intended curriculum might differ from the enacted curriculum. The stronger state

devoted resources to teacher training in the new curriculum and a new “constructivist” pedagogical approach. Ministry supervisors were trained to advise teachers and ensure that the new programs reached schools, along with textbooks, libraries, technologies, and other inputs.

While conviction for “educational quality with equity” prevailed since the beginning of the democratic period in the Ministry of Education, it was not always a whole-of-government priority, since education competed with many other social needs.

### **All for education as state policy**

In 1996, the Frei government made improving educational quality the cornerstone of its mandate and promised to equalize educational opportunities for all by shifting publicly financed schools to a longer, single-shift school day to match elite private schools.<sup>8</sup> This launched a strong effort to build public infrastructure to accommodate all students in simultaneous instruction.

How did the conviction of “pro-education” actors extend to the head of state and became state policy? The issue here is not on the specific content of the Frei administration’s education reform but on the priority assigned to improving educational quality at the government level. Three key antecedents converged to take advantage of a window of opportunity. First, the importance of educational quality—or, in economics, human capital—was hot in the world of ideas. ECLAC (Economic Commission for Latin America and the Caribbean) and UNESCO publications exemplified this techno-political consensus at the time. Endogenous growth models were at their zenith. James Heckman was leading cost-benefit research showing the importance of investing in human capital early in life (from 3 years old to primary school). And Eric Hanushek was leading a research program to find the most cost-effective school inputs.

Second, the right-wing coalition was invited to attend summits on the educational priority consensus at several points, and publicly endorsed it. A pivotal moment was the Brunner Commission of 1994, which built a wide elite political consensus on educational quality, suggesting various policies such as extension of yearly school hours (which had been well below reference countries). A leading strategic figure of the right, Cristian Larroulet, director of the influential think tank Libertad & Desarrollo, participated in this commission and endorsed the educational priority over time. The commission included other figures of the right and important figures from the Concertación, including Edgardo Boeninger and Enrique Correa, key figures in Aylwin’s government. From his later position of Ministry Secretary-General of the Presidency, Boeninger was credited for being the strategist of the transition to democracy. José Joaquín Brunner, head of the Commission, was later appointed Minister Secretary-General of Government (in practice, government speaker), the same position that Correa had in Aylwin’s government. The participation of both left and right intellectual and political elites transformed educational policies into “State policies,” which offered a longer horizon of stability and legitimacy.

The Brunner Commission’s mandate was to modernize Chilean education, and its main conclusion suggested that the system had good achievements in expanding enrollments but was of low quality. The purpose of education was defined as: “Education is the process by which the community transmits its culture and people train and develop their capacities to fully participate

in life together. Throughout history the content of education has always been, at the same time, moral and practical. It is partly in the form of values and commandments; in part it is the cultivation of capacities, knowledge, and skills. The subject of education is a person, entirely private, provided with rights and duties; an individual of a generic nature, who shares with his peers, and who is, however, of a complete, unique, and unrepeatable nature, with his own vocation and project. The first and priority educator is the family, and no educational decision can avoid the will of the parents.” The latter is a crucial emphasis of conservative Catholicism and right-wing politics, showing how well mixed left and right were in this elite consensus. Retrospectively, representatives of the self-flagellants were outnumbered in the Commission, though that division was not formalized at the time.

Third, the capacity of the Ministry of Education to offer a technically sound project was important. Trust was built with the Budget Office of the Ministry of Finance and with the coordination division of the Ministry Secretary-General of the Presidency since the beginning of the administration. Both were the key coordinating units of the government at the time. This trust might be exemplified by the negotiations to fix the Estatuto Docente (discussed below) and the adjustment of the value of the voucher in 1994 following the introduction of costs models that determined important deficits of funding for rural and special education, both implying large budget increases. Contrary to the budget increases of 1991–93, these changes were agreed between both ministries. And they were much greater in magnitude. Such changes were unlikely if trust was not high.<sup>9</sup>

Then came the window of opportunity.<sup>10</sup> Rapid economic growth generated a surplus of resources that the government decided to invest in a social project that could be the Frei administration’s legacy. The education reform around the longer single-shift school day served that purpose. The negotiations with the Teachers Union in 1994 had already provided two more weeks of instruction per year, but that was not enough.

The longer school day was a natural continuation that demanded much more in the way of resources. Windows of opportunity are moments when scientific evidence is introduced into the decisionmaking process and help taking the correct decision. On the specific content of Frei’s reform, particularly relevant was the meta-analysis by Fullan and Clarke (1994), which was interpreted as recommending extending school time. Inside the government, little reference was made to the evidence accumulated in education or the contemporary debate in the United States that suggested focusing on the core curriculum rather than simply extending the school journey for its own sake.

Education was a budget priority during the 1990s for different reasons. One was compensating teachers for maltreatment during the dictatorship with the Estatuto Docente (1991–94). Another was fixing the voucher system and the problems introduced by the Estatuto (1994–96). And the third was the educational reform (1996–2001), which consolidated the discourse around educational quality, which started with small programs sponsored by international cooperation.

### ***The Teaching Statute***

Instead of reversing decentralization, Aylwin's administration (1990–94) offered changes in the labor regulation for teachers. Although it did not specify a proper career, the Estatuto Docente, approved in 1991 and gradually implemented through 1994, created a national scale starting with a base wage and allowances for experience, training, "zone," and "performance under difficult conditions" expressed as a percentage of the base wage. The Estatuto is considered "the most controversial policy measure of the entire period."<sup>11</sup> It created a precedent for policy formulation where teachers also had a say. It was also intended to encourage teachers' support for other educational policies implemented by the new government and to reduce the possibility of major disruptive conflicts in the education sector.<sup>12</sup>

The Estatuto Docente had two key problems.<sup>13</sup> One is that it made it impossible to dismiss a municipal teacher. It precluded contract termination and any amendment to the terms of the contract (such as moving a teacher to another school or to a different educational level). A second problem was its financing. Although it enforced obligations only on the municipal sector, equal treatment to private subsidized schools was demanded. As a result, new salary obligations imposed on municipalities were financed by the voucher and therefore also benefited the private sector without any obligation aside from paying the base wage. The budget increments of Aylwin's administration (1990–94) were mostly associated with the gradual implementation of the Estatuto, not with educational quality.

### ***The Good Teaching Framework***

The Framework, and the evaluation of teachers based on it, was implemented in 2003 as an instrument to influence what happens in the classroom. Without intruding in the interactions in classrooms and schools, and therefore respecting the decentralized nature of the system and acknowledging the lack of capacities to directly supervise classes and schools, the Framework defined what was expected from classroom teachers, and the evaluation assessed if each teacher had the capacity to meet this standard. It was the first time that educational policies "entered the classroom," if indirectly. The lack of policy mechanisms to intervene in classrooms was one of the key "weak links" that limited the possibilities of reform efforts to achieve better results according to OECD (2004).

Another weak link was initial teacher training, which was left to a higher education market.<sup>14</sup> The measures on this front were (and are still) rather timid. In 2008, the INICIA program for initial teacher training introduced a national evaluation of pedagogical knowledge and computational skills of students in the final stage of their initial teacher training. Training institutions voluntarily enrolled their students. In 2010, Teacher Vocation Scholarship relaunched the program introduced in 1998 to attract better students to initial teacher training. But the Quality Assurance System of Higher Education was putting pressure on all institutions, including those offering teacher training, to improve on certain indicators, including the proportion of teachers with a PhD and research publications in indexed journals.

Both the Bachelet and Piñera administrators (2006–14) dealt little with issues related to the teacher career path or evaluation. Nevertheless, a joint task force for the teacher career with

Ministry and Teachers Union representatives produced a report in December 2008. It suggested the “purpose of the career is to have the teachers Chile needs to guarantee a quality education to the entire population.” The career should have a “formative character,” with focus on “teacher’s personal and professional development,” and will improve the “quality of education.”

### ***The Teacher Career***

A consortium of civil society organizations including universities, research centers, parent and student organizations and the Teachers Union worked side-by-side to produce the Carrera Docente, a modern bill that introduced probation and promotion tied to evaluations. Many actors worked together for several months to produce a well-elaborated technical proposal that received little opposition or modifications in the course of the legislative process.<sup>15</sup> However, the Teachers Union rejected a first version of the bill, raising 11 issues related to the certification and evaluation of teachers, and went on a 57-day strike, the longest of the period. Nevertheless, even the Teachers Union concurred with the agreement after changes were made to the proposal, and the right-wing opposition had little room to maneuver, since it was a minority group in both Chambers at the time.

Law 20.903, enacted in April 2016, created the “Teacher Professional Development System,” known as the Teacher Career. While it established several allowances as the Estatuto Docente of 1991, progress was linked to teachers’ evaluation and proceeded to well-regulated stages. The Teacher Career structured a wage scale that was more ambitious in committing future resources, as it established a higher entrance threshold and a steeper progression that would no longer be automatic. At the top of the scale, teachers would earn 80 percent more than under the previous system.

### ***Reversing municipalization***

Later, law 21.040, approved in November 2017, created the Public Education System addressing the Teachers Union’s longstanding and most important demand: Municipalization was finally reversed. A gradual timeline for the transference of municipal schools to newly created Local Services of Education, dependent on the National Public Education Agency, a new autonomous agency of the Ministry of Education, was established between 2018 and 2025, with an intermediate evaluation that might defer the process longer. This was a more divisive issue, as shown by the rejection of the right-wing opposition.

The voucher system, however, remains untouched. In fact, concern was expressed during the interviews about the unfairness that might be produced by the direct financing of these new public services through direct line items of the national budget, which is inaccessible to private subsidized schools. The opposite was also expressed: How will these services be able to compete with the private subsidized sector without the resources already committed to education by the municipalities, and given the obligations they must fulfill?

### ***Measuring learning***

A key market (and public value) failure in education is imperfect information. If the key objective of school education is learning and learning is not observable, then improving it requires measurement instruments. SIMCE (Sistema de Medición de la Calidad de la Educación, the



national learning outcome assessment system) played that role. During the first years of democracy, SIMCE scores showed some improvement year to year. This was interpreted as evidence of results of government policies. However, these improvements were spurious, as scores were technically not comparable. Equating was introduced to make tests scores comparable in 1997 and results were published since 1995 by the Ministry, following strong pressure by the media.

Despite a plethora of educational policies—a shift to a single longer school day, input policies, improvement programs, scholarships for retention of at-risk students, means-tested vouchers, real increases of the general voucher, and evaluation of teachers and students—SIMCE results have shown little improvement since 1997. One of the consequences of this lack of improvement was the implementation of the System of Quality Assurance, which, from the perspective of children's rights to education, proposed actions in case schools were below a certain standard. Following economic reasoning and the perspective of market failures, the key “stick” was school closure if it failed to meet the standard after a certain period of time. Nevertheless, scores continued to stagnate even after the establishment of the Quality Assurance System.

By contrast, results in PISA show some improvement. On language scores, averages jumped from 410 in 2000 to 459 in 2015, going back slightly to 452 in 2018. Chile's improvement is larger than the Latin American average, while the OECD average deteriorated during the same period. There is also some evidence of a positive effect of the introduction of means-tested vouchers, especially on disadvantaged groups.<sup>16</sup> On PISA, Chile has reported a slight reduction in the gap between low and high income groups.<sup>17</sup>

### ***The forces behind change***

The progression from the Estatuto Docente to the Teaching Career shows the incremental and accumulative nature of Chile's institutional change. The Teachers Union is a first actor influencing this trajectory. Teachers felt mistreated by the dictatorship and had high expectations with the return of democracy. Public opinion and at least some of the Concertación members within the Executive and Legislative branches were sympathetic with their situation. While many teachers were not affiliated, the Teachers Union was an effective organization for representing municipal teacher's interests and, in some cases, those of teachers working in the private subsidized sector. The Teachers Union has exerted great influence since the return to democracy. In addition, government authorities were conscious that improving education quality without the cooperation and involvement of teachers was impossible. They gave legitimacy to the Teachers Union and negotiated with it, despite not being legally obliged to do so. But union leaders have not been able to capitalize on these advances, as union associates have gradually tended to vote for more radical antagonistic positions after each major agreement with the Ministry (modifications to the Teacher Statute, teacher evaluation, and teacher career).<sup>18</sup>

The right-wing coalition was (and still is) more aligned with the idea of school autonomy and signaled a preference for a system that weighted both students' results as well as school directors' assessments of their teachers' performance. Despite their opposition to making school and municipal education directors' positions contestable at the beginning of the period to maintain these positions in the hands of Pinochet's appointees, the reform was introduced two

decades later by the right-wing coalition under Piñera's first term (2010–14). This reflects the quality of the policymaking process. A reform introduced during the Lagos administration (2000–06), the creation of the Alta Dirección Pública for Senior Civil Service, with ample support, was extended to the school system by the other coalition. This more technical appointment of school directors on the basis of their credentials rendered more palatable the possibility of giving more autonomy to schools on administrative decisions, including the evaluation of teachers, but was not sufficient to defeat the idea of a centralized evaluation.

Experts had a strong say in educational policy since the establishment of the first programs to improve educational quality in early 1990s. In the first 20 years, the integration of regular voice mechanisms was slow and mostly restrained to school councils, while expert commissions and legislative committees invited the public to express their concerns and opinions. Families had a role to play in the institutional design as consumers, which was reinforced by the publication of SIMCE. This role was strongly and explicitly emphasized in Piñera's first period (2010–14) with the information system of traffic lights and communications by authorities. One of the most quoted Piñera's first term phrases used against him by his opponents was his statement: "education is a consumer good."

The student movement of 2006 mobilized public opinion in favor of prioritizing education, pointing to inequality of educational opportunities and the lack of progress with educational quality. Nevertheless, some of our interviewees are quick to deny the importance of this particular student movement. They are also right, as they point to the fact that later decisions are not inspired by student proposals and were mostly shaped by experts. In fact, the 2006 student movement had little to propose for public policies and even its protagonists considered it a failure. Nevertheless, they succeeded in putting pressure on the government to prioritize education and are credited with inducing the decision to form the Presidential Education Commission, which paved the way for replacing the Pinochet-era teaching law, and served to justify other policy measures such as the means-tested voucher or the quality assurance system.

However, students or their representatives had no influence in these processes and their specific design probably was not aligned with what they would have done if they had the power to take decisions. Why? Because they embraced later in 2011 a more political discourse of overall rejection of "the neoliberal model" constituted by markets, for-profit schools, selective admissions, decentralization, and free public education. As pointed by one interviewee, the Presidential Education Commission was probably the first time that the right-wing opposition faced a social movement whose demands were to the left of the Concertación. The potential disruptive force of this social movement would reappear in 2011 and would reappear even stronger in the social outbreak of 2019.

The common menace to the status quo perhaps accelerated elite agreements "within the neoliberal model" in the late 2000s and early 2010s. Technocrats within the Concertación had another window of opportunity, this time real, to introduce regulations, and they succeeded, with the support of the right. A means-tested voucher—such as the one introduced to equalize educational opportunities and a quality assurance system to deal with poorly performing

schools—should have been essential initial components of a market design if the real purpose were quality with equity.

In other words, up to Piñera's first term (2010–14), the need to reach agreements with the right deferred achieving regulations that were needed beforehand. Social pressure served the purpose of reaching agreements. These technical agreements were successively passed into legislation. This requisite of agreement with the right was no longer needed during Bachelet's second term, but the changes were also shaped by experts and except for the reversion of decentralization had wide agreement within the Concertación beforehand. They were not big radical changes “dismantling the neoliberal model”, but fine-tuning it: Parents' choice without selective admissions, vouchers corrected by cost differences for achieving equality of learning opportunities, and a proper career for teachers based on evaluation.

An elite/expert consensus on educational quality was established in the early 1990s and was more precisely elaborated at different key junctures in the form of “representative” “expert” commissions appointed by the executive branch to produce proposals on particular issues, starting with the Brunner Commission in 1994. The consensus was built initially on the need to improve educational quality, given what other more developed nations were doing and achieving. Equity was always mentioned along with quality, and was expressed in targeted programs and then in a means-tested voucher. The turning point in prioritizing learning occurred during the Frei administration (1994–2000) and is associated with the turn to a single-shift school day.

During the 1990s, the focus was on schools, not classrooms (aside from a short-lived experiment of learning guides to support student learning). In the early 2000s, policymakers introduced teachers' development plans, the framework for good teaching, and teachers' evaluations. Only recently, visits by the Quality Agency enter the school and the classroom to provide recommendations to improve teaching and students' outcomes. In fact, the focus was more on measuring outcomes with the SIMCE and making schools accountable for their performance rather than reaching the classroom through support systems as systems engineering and public value approaches would suggest.<sup>19</sup>

Over the years, there have been high hopes that a new public management/neoclassical economics recipe combining compacts and choice options would improve results. That recipe includes reporting SIMCE scores at school level, using carrots and sticks (various programs of individual teacher evaluation with incentives, and having a collective incentive pay program). It is coupled with boosting inputs—teacher wages, textbooks, computers, internet, and a full school day. But these hopes were not met. Instead, there is a feeling of unfulfillment of the promise of equal opportunities through education and the negative consequences of insufficiently regulated market mechanisms.<sup>20</sup> This feeling has produced political unrest conducted predominantly by secondary students (2006 and 2019) joined by university students (especially in 2011). And this unrest led to changes addressing more complicated market failures, prioritizing rights and reversing decentralization.<sup>21</sup> The evidence on improving results in international assessments and closing the gap between socioeconomic groups has received little consideration.

The expanded center-left coalition presented the completion of market regulation and its extension to higher education as a major structural reform. It fostered school choice by reducing the possibility of selective admissions and correcting for differences in costs of provision. But a more radical sector, linked to social movements, suggests that the solution is simply to expand the state and dismantle the market. Some evidence of the negative effects of the institutional architecture of the education system provides ammunition to these groups.

The key features of this project were verified, especially those related to learning as educational policy and whole-of-government objective. The advancement of a teachers' career based on evaluation and a quality assurance system for schools, both with consequences, took time to be enacted into legislation but were virtually unopposed because of the lack of sound technical alternatives designed for a similar purpose. The key political actors have been two coalitions. The right, aligned with the model inherited from the dictatorship, is more inspired by unregulated markets and school autonomy. The center-left coalition has moved to the left over time, with two souls, one attempting to regulate markets, and the other preferring its replacement. "Experts" have exerted a deep influence on the legislation, more in line with neoclassical economics and New Public Management.

Recently, with the eruption of social movements and a more radical left, the possibility of reversing institutional changes is real. Examples include the new demands of the Teachers Union to replace universal student assessment and change the evaluation system. Note, however, that these demands retain information about student learning and teacher evaluation.

Overall, the good intentions to improve educational quality, resources, and carrots and sticks have not been enough to move the Chilean educational system in the direction that its political authorities wanted. It might well be that educational change takes time. If a teachers' career path will attract better candidates, its effects on student learning will take at least a generation. But the top-down character of Chilean educational policymaking and the insufficient use of institutional voice mechanisms might backfire—as the mounting social tensions and the 2019 social movement cast some doubts about its survival without major adjustments outside the box of neoclassical economics. The need to strengthen voice has been realized by several experts and policymakers. Recent events suggest that a consensus needs to be built beyond political and economic elites to endure, especially when countries achieve a certain development threshold.<sup>22</sup>

## Annex 1 Indicators of learning for RISE countries

A country's learning adjusted years of school combines the quantity and quality of schooling into a single indicator by multiplying the estimated years of schooling by the ratio of the country's score on the most recent test scores harmonized to 625 (World Bank data for latest year of assessment).

Learning poverty, a combined measure of schooling and learning, is the proportion of children unable to read and understand a simple text by age 10 (World Bank data for 2019).

The Human Capital Index is the amount of human capital that children born today can expect to acquire by the age of 18 given the prevailing risks of poor health and poor education. It combines the likelihood of surviving to school age, the amount of school they will complete and the learning they'll acquire, and whether they leave school ready for further learning and work. For example, a score of 0.5 means that they will be only 50 percent as productive as they might be with complete education and full health—and that their future earning potentials will be 50 percent below what they might have been.<sup>23</sup>

	Learning adjusted years of school	Learning poverty (%)	Human Capital Index (0–1)
Chile	9.4	27.2	0.7
Egypt	6.5	69.6	0.5
Ethiopia	4.3	90.4	0.4
India	7.1	56.1	0.5
Indonesia	7.5	52.8	0.5
Kenya	8.5	—	0.5
Nigeria	5	—	0.4
Pakistan	5.1	77	0.4
Peru	8.6	44.4	0.6
South Africa	5.6	78.9	0.4
Tanzania	4.5	—	0.4
Vietnam	10.7	18.1	0.7

Note: — = not available.

<sup>1</sup> Fisher, González, and Serra 2006; Siavelis and Sehnbruch 2013.

<sup>2</sup> González 1998; Fischer, González, and Serra 2006.

<sup>3</sup> Cox et al. 1997.

<sup>4</sup> Siavelis and Sehnbruch, 2013; Solimano, 2012.

<sup>5</sup> Sehnbruch and Siavelis 2013; Fuentes 1999; Montecinos 1998; Navia 2006, 2008; Pribble 2014.

<sup>6</sup> González, 1998.

<sup>7</sup> Sehnbruch and Siaveli 2013.

<sup>8</sup> Elacqua and González 2013.

<sup>9</sup> Interviews.

<sup>10</sup> Kingdon 2003.

<sup>11</sup> Cox 2003, 52.

<sup>12</sup> Mizala and Schneider 2014.

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<sup>13</sup> González 1998.

<sup>14</sup> OECD 2004.

<sup>15</sup> Mizala and Schneider 2019.

<sup>16</sup> Valenzuela, Villarroel, and Villalobos 2013; Neilson 2013; Mizala and Torche 2012.

<sup>17</sup> OECD 2019a; OECD 2019b.

<sup>18</sup> Interviews and Cox 2015.

<sup>19</sup> Schiefelbein 1995; González, Fernández, and Leyton 2020.

<sup>20</sup> González 2009.

<sup>21</sup> González 2009.

<sup>22</sup> North, Wallis, and Weingast 2009.

<sup>23</sup> World Bank Human Capital Index for September 2020.

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