Educational Policies in Chile: Municipality Law and LOCE, how have they impacted Chilean Education? 1

Políticas Educacionales en Chile: Ley de Municipalización y LOCE. ¿Cómo ellas han impactado en la educación chilena?

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ABSTRACT
The central government introduced some reforms and delegated managerial responsibility to the councils which has caused weaknesses in most of them. There are studies about the reforms in Chilean education (Avalos, 2006), about decentralisation and privatization in Education (Rounds, 1997), inequalities in our market-oriented education that mention the transformation of our educational process over the years showing evidence that the investment has not been effective in improving the educational level. In my study I intend to collect information about the decentralisation and neoliberal policies that have deteriorated the educational system and how these policies might be improved to get better academic and social outcomes.

KEYWORDS
Educational reforms, Municipality Law, neoliberalism, inequalities, outcomes.

RESUMEN
El gobierno central introdujo algunas reformas y delegó la responsabilidad de controlar a las municipalidades, lo cual ha causado debilidades en la mayoría de ellas. Hay estudios acerca de las reformas en la educación chilena (Avalos, 2006) acerca de la descentralización y privatización en la educación (Rounds, 1997), desigualdades en nuestra
educación de orientación de mercado que menciona la transformación de nuestro proceso educacional a través de los años mostrando evidencia que la inversión no ha sido efectiva en mejorar el nivel educacional.

En mi estudio, intento recoger información acerca de las políticas de descentralización y neoliberales que han deteriorado el sistema educacional y como estas políticas podrían ser mejoradas para llegar a mejores resultados sociales y académicos.

PALABRAS CLAVE
Reformas educacionales, Ley de Municipalización, neoliberalismo, desigualdad, resultados.

Chapter 1 INTRODUCTION

1.1 A personal perspective

When I was young I decided to become a teacher inspired by many children and teenagers, that I met during my summer holidays in the countryside, who could hardly know how to read and some of them gave up attending to school for working in the farms. A quite common situation in the Chilean rural areas. This situation is touching especially when Chile has an image of modern country and has a very low percentage of illiterate people in comparison with the rest of Latin America (Avalos, 2006). In 2009 I moved out to work in Coyhaique, a southern city in the Chilean Patagonia. There I could experience the same situation than years before with my students: difficulties with reading comprehension, lack of motivation for studying, school drops and due to the isolated location, lack of books to read (Gauri, 1998; Torche, 2005). Despite that Chile has grown economically and has become technologically modern over the years, this progress has not been noticeable in the education system, and even
more, it seemed to me that a privileged group of the society was the only benefitted.

1.2 The motivation for the research: From Chile to New Zealand

I became an international postgraduate student in 2011 in New Zealand. Studying at The University of Auckland expanded my view about education. I could realise that research in the educational field was quite scarce in Chile, the support for teachers given by the Ministry of Education was very poor. Moreover, our education has been trying to be improved by obtaining higher cognitive outcomes without changing the core of the problem that is the neoliberal reforms that were issued in Chile (Torche, 2005; Cavieres, 2011).

This is the foundation of my research: what happened with equity in education, why we have a deep gap between public and private schools that makes people reject public education. My aim was to investigate the municipality law and LOCE through literature review that could provide me meaningful information and discussion about the two main policies I address to.

1.3 Possibilities for Chile

By this small research I intend to demonstrate that the municipality law and LOCE should be changed due to its free-market oriented origin that has provoked a big impact on the education system (Gauri, 1998; Parry, 1997, OPECH, 2006)

Currently, there are struggles and discussions about education in Chile to reflect on possibilities that may change the system, however there is lack of knowledge in the general population who got used to have this marketised system where it is necessary to pay to receive good quality
education. In this context, it is imperative that citizens, especially teachers can be better informed about the neoliberal ideology that is behind these policies and be willing to transform the system for a better future in the Chilean society. I would suggest that media could support by creating programmes that could develop the critical view of education in our society. In addition, school communities and teachers should be provided with time for reflection and Ministry of Education should consider their conclusions as part of a pathway for new significant reforms.

1.4 Outline of the research

Background is the first part of my research in which I intend to demonstrate what Chile was like before and up to the time of neoliberalism was introduced. The socio-political and economic setting before 1980’s and onwards when Pinochet and the group of Chicago boys influenced the historical moment. Moreover, to view the educational situation before 1980’s and why / how neoliberal policies were introduced in Chile generating an impact on education over the years. Then, what neoliberalism is, its origin and concepts. The advantages and drawbacks that it may have and the effects that it has had in different countries, especially in education. In the next chapter, the Chilean laws are described: Municipality Law and LOCE (Ley Orgánica Constitucional de Enseñanza), its objectives and their outcomes might have been. At this point, decentralization is described in general terms and why it was promoted in education. Then, the impact on education of the mentioned laws in terms of equity and efficiency. Also, how privatization has decreased value of public education, rising inequalities for students and teachers provoking changes in their attitude towards education and in the Chilean society. Besides, the outcomes in learning which has not been according to the efficiency and standards that reformers believed.
Finally the conclusion, where I suggest that educational choice has become a way of social exclusion and has demonstrated that academic results are not successful as it was believed at the beginning of these reforms. It is significant for me as a Chilean teacher to make suggestions for the educational issues according to the current socio-political environment in Chile. Furthermore, this research may be relevant for teachers of New Zealand that would like to compare the realities of both countries due to both having adopted neoliberal reforms.

CHAPTER 2 NEOLIBERALISM AND EDUCATION

Government policies related to education, particularly funding and educational standards have been debated in capitalist societies since the 1980s (Davies & Bansel, 2007). In the international realm, there have been diverse options to the neoliberal approach by the spread of decentralisation in education. In developed countries, for example, England, which has one of the oldest and most representative educational systems, local authorities decide on the creation and construction of schools, hiring teachers, the curriculum and the distribution of scholarships. In the US, the School District develops the plans of study, hires teachers, as well as supervises and supports the system. The Federal Government indirectly exerts a tendency through the selective and financial support to certain special programmes, funding in between 5% and 15% of their total cost. Since in Canada there is not a National Ministry of Education, education falls under the responsibility of the provinces. Similarly, in Germany the federal state has the responsibility and control over education. In Belgium, the Constitution has recognised the French and Flemish cultures since 1959 with participation of the provinces, municipalities, Catholic private organisations which have provided an atmosphere of plurality and decentralisation (Espinoza & Gonzalez, 1993).
Some governments, such as the Chilean, have adopted neoliberal practices in education early on; others, for instance, Sweden have only partially adopted neoliberalism, while others have thoroughly installed neoliberal practices and principles over the last 20–30 years, e.g. Australia and New Zealand (Davies & Bansel, 2007). The neoliberal approach has altered significantly the state’s power as the role of the nation state as a provider of certain public services and good (Lakes and Carter, 2011). Neoliberalism pursues the exploitation of natural resources and people (especially in lesser developed economies), forcing a redistribution of funds from social welfare projects to market enterprise, and, finally, jeopardizing the basic human right of free education (Brym 2005; Rodrik 2006; Tomasevski 2006 as cited in Lakes & Carter, 2011).

In a neoliberal society, young people need to study to obtain a job in the future and have social and economic security (Wilson, 2007 as cited by Lakes & Carter, 2011). Parents seem to face a variety of school options that offer discipline, protection and high academic standards; within this context, parents become consumers. Under social and media pressure (school violence, incompetent teachers), parents seem to choose the school that satisfies their needs and meets their expectations. The neoliberal approach considers that the state should step back and let market options and consumer choices remedy problems that contemporary schools have, but there is no real support for parents evaluating their choices (Lakes & Carter, 2011). Apple (2006) discusses that the ultimate aim of neoliberal policies is to have a free-market oriented education in which privatization of educational services is essential. Thus, free-market oriented educational systems lead to economic and social capital that is transformed into cultural capital as parents can afford cultural resources such as after-school programmes that give their children confidence for future social encounters. However, the situation is quite different with poor people...
and/or immigrants who do not have enough skills, social and cultural capital to support their children because they live under hard financial conditions (Apple, 2006). Marketised educational models show the importance of the power of relations and what happens inside schools in terms of converting social capital into cultural capital, i.e., parents can afford driving their children to a better school that can provide resources and after-school programmes such as dance, sports, theatre, etc. that become cultural capital, but also “their previous stock of social and cultural capital – who they know and their “comfort” in social encounters with educational officials – is an unseen but powerful storehouse of resources” (Apple, 2006, p. 22). Thus, parents choose their children’s school according to their financial possibilities that may provide unseen capital in an environment that can offer development of skills, and informal knowledge through familiar cultural rules (Ball et al., 1994, pp. 20-22 as cited in Apple, 2006).

This situation has been experienced in countries such as the US, New Zealand, Australia, England and Wales (Apple, 2006) where this kind of hierarchy has served to reproduce the traditional order of race and class. This has also happened in Chile where, private schools select students by exams and interviewing students and parents, in addition, a high incorporation fee is required.

Lauder, Wylie and Parker-Taunoa (1990) discuss the New Zealand educational system which has created some neoliberal reforms adopted from overseas in which citizens are treated as consumers. After the economic crisis in the 1980s, many free-market transformations were generated as a way to restructure the financial system. State entities were privatised, foreign investment was encouraged by eliminating restrictions. Moreover, the Labour government at that time created reforms in health and education that had as an aim their operation as a private business (Fiske & Ladd, 2000).
The increase of unemployment rate starting in 1985 made it clear that education had an essential role in preparing future citizens for the labour market. In this way, the reform in 1989 called Tomorrow’s Schools was created in New Zealand. Some people believed that this transformation would be a good way to build relationships with the communities, parents, school professionals and to have a community voice to run schools. Other people with a more business-oriented ideology thought that new effective market initiatives coming from large corporations and adapted by the state could improve school management and allow the communities to participate in the school through decentralisation. Moreover, the creation of a competitive environment would result in local schools competing for students, and parents choosing a school for their children (Fiske & Ladd, 2000).

However, student performance in New Zealand was, and continues to be, highly related to ethnicity and socioeconomic status. And school-drops have been a big concern since there is a high percentage of Maori, Pacific Island and Pakeha students that leave school early without any educational qualification or sitting examinations (Fiske & Ladd, 2000). The Ministry of Education recognises the relation between the socioeconomic group that students come from and their level of school achievement. In 1997 statistics showed that a quarter of year-11 students from low socioeconomic areas did not sit school certificate examination (versus only 5% of students from schools drawing from privileged backgrounds) (Fiske & Ladd, 2000). Enrolments in tertiary education show similar rates with only 14 percent of graduates coming from the lowest income groups and 52 percent of students from more privileged status. In this context, Maori have been forced to adapt to Pakeha New Zealanders’ culture and view of education through history, which has discouraged them from studying. Furthermore, the approach of school zoning restrictions makes it more difficult to attend a school outside a family’s
designated attendance zone especially in Auckland, Wellington and Christchurch. Although it has increased in the last years, a significant percentage of students were limited in their enrolments in these cities through the use of attendance zones due to the excess demand for places at those schools (LaRocque, 2005). Nevertheless, state-integrated schools had around 10% of enrolments in New Zealand in 2003 which provides some choice for the public sector. These types of schools also receive the same subsidy per pupil level as state schools, however they need to accomplish different regulations such as they do not have geographic restrictions, but they have a number of distinctive students they can enrol when the school has a religious-oriented education. In addition, these schools can charge parents tuition fees that pursue to cover financing costs (LaRocque, 2005). The neoliberal approach claims that free-market initiatives as the ones in New Zealand, Chile will lead to better schools.

The experience in England as in many other competitive school environments is to expose students’ outcomes. This has led English schools to look for students that may improve their competitive performance in examination league tables, thus, there may be a different emphasis in the relevance of the students’ needs and their performance at school due to students with special needs or learning difficulties being labelled as “expensive”. Taking such students reduces the standard exam scores from which success is measured (Apple, 2006).

Marketised plans promote competition which would enhance efficiency and responsiveness of schools as well as give disadvantaged students opportunities that they currently do not have. These hopes “are not now being realised and are unlikely to be realised in the future in the context of broader policies that do nothing to challenge deeper social and cultural inequalities” (Whitty, 1997 as cited in Apple, 2004). This reflection may help to view the influence of neoliberal
policies in societies and how students, families and school communities may have been affected by these initiatives. Furthermore, in different points of the globe, in Chile, New Zealand and the US, teachers’ unions and the education establishment argue for funding and governance circumstances of political accountability, detailed rules and uniformity. They claim that problems exist because of too little funding, inequalities in the distribution of funding, and impediments to learning that result from dysfunctional home environments. They insist that parental school choice will intensify disparities and increase children’s isolation by race and socioeconomic situation (Coulson, 2005). On the other hand, parents and low-income groups claim for a real solution for children coming from diverse backgrounds and capacities assigned to improvement-resistant schools and market accountability that accelerates the efficiency and innovation process of low-score schools (Coulson, 2005).

Chapter 3
RELEVANT POLICIES IN CHILEAN EDUCATION

3.1 Introduction

The past chapter dealt with the worldwide trend of neoliberalism and its influences on Chilean national policies. The current chapter takes a more narrow approach by focusing in on educational policies that have been a result of neoliberalism in Chile. In Chile, neoliberal thinking was inserted into the educational system through legislation that was introduced in the early 1980s to improve school administration. This law that was called the Municipality Law, became one of the most significant educational policies ever to be passed in Chile, and it changed the structure of the entire Ministry of Education (Avalos, 2006). This policy also introduced the only nationwide education school voucher system in which
schools, whether they were private or public, could receive money from the government depending on the numbers of enrolled students (Torche, 2005). In 1990, as the military government relinquished control of the country, they issued another significant education policy which aimed to modernise the education system. The purpose of this chapter is to provide information about these two policies: the Municipality Law and the second reform called LOCE (Ley Orgánica Constitucional de Enseñanza) approved 10 years later (Torche, 2005).

3.2 MUNICIPALITY LAW

3.2.1 The idea of educational change: decentralisation

Local municipalities were created in Chile in 1976 by a law that intended to create territorial decentralisation; this was called the Municipality Law (Ley de Municipalización). This process was part of the largest project of state decentralisation that had taken place globally at that point in time.

The military government promoted this law for political and economic reasons in order to weaken the central state and, in turn, to strengthen the power of local authorities who could then have greater influence over local decisions, and make services more efficient and competitive. In this way, a large part of various services including education was transferred to municipalities (Almonacid, Luzon, and Torres, 2008).

In this regard, Bray (2007) describes decentralisation as a process that can be applied in a system in which control is transferred from the central area to local units. He also mentions that there are different types of centralisation and decentralisation. “Functional” decentralisation describes the transference of powers among authorities that work in parallel. This author gives some examples:
Functional Decentralisation: the Ministry of Education can be in charge of the whole system of education and decide to divide into two ministries, basic and higher education. In other countries, public examinations that used to be totally controlled by the ministry, now have been assigned to a single authority who is in charge of overseeing such forms of assessment. Moreover, another form of functional decentralisation is when schools that are managed by voluntary agencies can work with relaxed governmental control.

Bray (2007) points out that in territorial decentralisation there is a new distribution of control among the diverse geographic administrative units. For instance, states, districts, municipalities and schools have power transferred from higher authorities. He further classifies this type of decentralisation into three subcategories:

- **Deconcentration:** The main authority sets up branch offices or field units which may have the same staff delegated by the Ministry of Education in other provinces or even in the same building.
- **Delegation:** The central authority transfers to local units more power to make decisions. However, it can be easily removed since it still depends on the central authority.
- **Devolution:** In this type of decentralisation the lower levels have a stronger degree of decision-making power which means that they do not need to have approval for their actions. The central authority may receive only information about the subnational decisions and discuss it with them.

In Chile, decentralisation of schools to municipalities was a way to encourage the market initiatives, reduce political hostility and reach better educational standards (Taylor, 2006). The financial responsibility was transferred from the Ministry of Education to the municipalities and private owners that had private-subsidised schools with a structure based on the voucher system.
The type of decentralisation that occurred under the municipality law is a mixture of devolution and delegation; this is, the policies strengthened the role of the mayors and improved “municipalities as organisms of participation, and mobilisation of the community and its services” (Pinochet, 1980, cited in Latorre et al., 1991). Municipalities were given new sources of revenue and autonomy to enhance their capabilities yet they were limited by law. The delegation process was accomplished due to municipalities started to administer their new responsibilities in the education field. New unit divisions were created to for this purpose through the Departments of Municipal Education or Municipal Corporations (Rounds, 1997). The latter were non-profit organisations that were created under private administrative law; they had fewer restraints than and were considered to be more efficient than municipal departments. Furthermore, this new system of decentralisation was supervised at a national level. This national supervision intended not only to control the quality of school, but also to invigilate normative teachings. To do so, military personnel were assigned as mayors (alcaldes) and, additionally, as public school principals. According to Infante and Schiefelbein (1992, as cited in Gauri, 1998) these changes in Chilean education were created and executed in about 18 months. Some of the ministers at that time were involved in this process and they explored ways to “modernize” education. They considered different combinations of educational decentralisation and privatisation and concluded that the state was not ready for an immediate sale or transfer of schools and universities to the private sector. According to Gauri (1998), however, some economists wrote a textbook application of Milton Friedman’s voucher proposal. Supporters of the voucher model argued for a modern concept in the 1950s, stating that competition would improve schools and cost efficiency. Moreover, they assumed that society wished to fund
schooling, and claimed this could be achieved with a voucher system (Manski, 1992). The theoretical argument for “choice”, as stated by Friedman, gives subsidies directly to parents for tuition in any school. The proponents of the model enforced the idea of democracy as educational offers are expanded to students, families and parents who are free to choose the right school for them. As President Bush said “the concept of choice draws its fundamental strength from the principle at the very heart of the democratic idea. Every adult American has the right to vote, the right to decide where to work, where to live. It is time parents were free to choose the schools that their children attend” (as cited by Manski, 1992 p.103). This suggests the idea that school choice is a panacea and voucher system the solution to improve outcomes. (Chubb and Moe, 1990 as cited in Manski, 1992).

The idea of a Chilean reform that could finance and deliver educational services was created. Thus, the Director of Budget, Juan Carlos Méndez, went to Belgium to observe the educational system there and when he came back to Chile, he discussed various proposals with Miguel Kast, Chief of the Planning Office (ODEPLAN), Sergio de Castro, Finance Minister, and with other ministers. In the end they presented and defended “municipalisation” before Leigh, Merino, Mendoza and Pinochet, the junta members. The first three military members were sceptical, but Pinochet’s opinion was decisive and the law was passed (Gauri, 1998; Torche, 2005).

At that time, Pinochet called for “the need to decentralise responsibility, grant a greater degree of participation to the community, and to rationalize the use of public resources” (Pinochet, 1979, as cited in Parry, 1997, p. 214). Hence, the government encouraged regionalization yet kept control over all new 13 regions by choosing the authorities for each province and the majors or “alcaldes” of the municipalities within each province. Within education, there were two strategies used to achieve decentralisation: the first was to transfer responsibility for the provision of education to the
municipalities. The second was to promote private education by generating per-student state subsidies which was expressed as a multiple of a unit called Unidad de Subvencióon Educacional (USE). This subsidy was the voucher.

Thus, the “municipalisation” process started in all state schools as soon as it was possible (Espinoza & Gonzalez, 1993 quoted in Gauri, 1998 p.22). In June of 1980 the Ministry of Education established the Municipalisation Law which enabled the transfer of schools from the Ministry of Education to the Municipalities. At the end of that year, the first schools were transferred to nineteen Municipalities throughout the country. This process concluded in 1986 when a Presidential Order commanded that the rest of the schools that were still managed by the Ministry of Education be transferred to the Municipalities (Gauri, 1998).

3.2.2 The voucher scheme

The new policy claimed to support local decision making; however, the system was mandated by the central power and municipal mayors or “alcaldes”, most of them military officers, were ordered to assume the control of educational services in each municipality (Gauri, 1998). The municipalities had two alternatives. One option was to establish a Municipal Education Administration Department (DAEM) which would be regulated by normal municipal rules and guidelines, and would be run by municipal workers. The other option was to establish a privately owned administration known as a Municipal Corporation (Corporación Municipal). This entity would be in charge of the organisation of local education, but as a privately operating institution. Most municipalities chose DAEM as the best option because their costs were lower and their establishment was easier (Taylor, 2006).
Under this legislation, schools would be funded in a different way. A universal educational voucher system was introduced that resulted in subsidies for public and private schools based on student enrolment. Families were given the freedom to choose among schools (Torche, 2005). In this way, resources were assigned according to the number of the students that each school could attract. The system claimed that this approach would encourage efficiency as schools would compete in the marketplace environment; consequently, schools that were not competitive would end up out of the system and would disappear (Taylor, 2006). Thus, this resulted in a system in which schools fiercely competed to enrol students (Meade, Gershberg, 2008). In turn, this led to the development of three types of schools: public or municipal, private schools that were subsidised by the government through vouchers, and private schools. Public schools were usually free and fully funded by the fiscal budget; private subsidised schools received subsidies per student enrolled and usually charged a small fees; and private schools remained totally financed by tuition fees and did not receive any form of public subsidy (Sapelli, 2005).

Despite the voucher scheme, not all Chilean students had a choice of which schools to attend. As Winkler and Rounds (1996) point out: “of the total of 325 municipalities, 234 have subsidised private schools and only 72 have paid private schools. Both types of schools are concentrated in urban areas, where private school enrollments are high as public school enrollments. In 91 predominantly rural municipalities, students have no choice but to attend to public schools” (p.367). This would suggest that the municipal control of schools and the subvention system would not promote local democracy as for many families there is no real possibility to choose. Subsequently, these students are affected as they are unable to receive equal education, which in turn leaves them at the margin. Moreover, they may feel discriminated for having below average cognitive skill development in
comparison with their peers from private schools (Cavieres, 2011). In most cases, students from isolated places are forced to move to an urban area on their own, because of there are not secondary schools in their areas.

The subsidy was a unit, and the multiple of this unit would vary according to the number of enrolled students and average attendance. In 1980, law number 3,476 set the cost of this unit at $ 2,480 Chilean pesos, approximately US$ 5 (Law 3,476, National Library). This amount was paid to the school monthly based on the attendance of the previous three months. Moreover, this system allowed private-subsidised schools to charge up to four units; however, the subsidy may be reduced depending on the fees paid by parents. Law number 3,476 rules:

1. 10 per cent off the voucher if the parents pay between one-half and one USE.
2. 20 per cent off the voucher if the parents pay between one and two USEs.
3. 35 per cent off the voucher if the parents pay between two and four USEs.

Moreover, private subsidised schools were eligible to receive government financed textbooks and school lunches for students from lower income families (Schielfelbein & Schielfelbein, 2000). The multiple may vary according the type of school: preschool, primary and secondary. In addition, secondary schools would be subsidised differently according to their curriculum, i.e. whether they were technical, commerce, agricultural, for special needs or for humanities. By 1998 each unit was approximately US$ 22 (Sapelli, 2005).

Preschools received 1,4495 units per capita, primary schools 1,9906 units per capita, and humanities secondary schools 2,3824 units per capita. The number of units can increase depending on the school, with special education schools obtaining the highest subsidy per student: 6,0516 units per capita.
Moreover, this system allows schools to charge up parents to four units, approximately US$ 88, but, as mentioned before, the subsidy may reduce depending on the fees paid by parents. This system was successful in terms that many private schools shifted to this system by 1996 (Sapelli, 2005). These changes to the voucher system marked the beginning of many issues in education due to socio-economic equity, and administrative and educational quality. In theory, municipalities should be allocated more funds in order to perform their educational duties; however, the public financial resources to maintain schools were always insufficient (Helgo & Haagh, 2009). While these transformations intended to transfer control from the central government to the local one to avoid bureaucracy and improve efficiency and decision making, it also resulted in schools being less well-funded than they had been under a centralized administration (Bray, 2007). This was due to cuts in the national budget and the low value of per-student subsidy that the government paid to educational institutions (Taylor, 2006, Torche, 2005). The effects of insufficient school funding were felt across the system, especially in the lack of resources for schools and low teacher wages, particularly in poorer municipalities that served society’s lowest-income groups (Taylor, 2006). Consequently, the goal of efficiency set by the neoliberal approach of decentralisation did not offer social equity or higher school standards. As Bray (2007) suggests, decentralisation may have different motivations depending on national policies but the main one is political (Bray, 2007). In the case of Chile, the policy-making elite, which was led by the military regime, made sure the central government regulations remained in use and made them even stronger through the decentralisation and privatisation process. Furthermore, the military government decreased financial incentives for municipalities that caused municipality deficit, which in turn affected school funding; however, nobody at that time would
have complained about such decisions for fear of imprisonment, torture and death (Gauri, 1998). Thus, education changed in the hands of neoliberalism and started to be characterised in terms of ownership and price of the service provided (Winkler & Rounds, 1996).

3.3 LOCE (LEY ORGANICA CONSTITUCIONAL DEL ESTADO) LAW NUMBER 18,962

By the end of the 1980s, the outcome in primary and secondary education showed that there had been progress in the gross rate of enrolment compared with the situation before the educational reforms carried out in 1964. In 1988 a standardized test called the Education Quality Measurement System (SIMCE) was established to evaluate the quality of education in the levels 2nd, 4th, 6th, 8th and 10th in different schools which showed that private schools had the best results while public schools had the lowest (Sapelli, 2005). Then, better equity and a more efficient education system required improvement (Avalos, 2006). Thereby, concerns were raised that previous policies had increased inequalities. In this context, a new law was approved: Ley Organica Constitucional del Estado (LOCE).

It was the second most important law which was promulgated in March of 1990, some hours before the end of the military dictatorship. This policy intended to enhance the state by ensuring free access for primary students. Moreover, the principle behind it was based on the belief that the state ought to promote educational development in all the levels by delegating administration in other entities – private schools or tertiary education institutions (Almonacid, Luzon and Torres, 2008). This expansion can be seen in its decrees (OPECH, 2006) which promoted the neoliberal approach aiming at efficiency and competition among schools.

3.3.1 LOCE description (LAW 18,962)
In this section I will describe the most relevant decrees of this law which have had an effect on Chilean education and which have, particularly, encouraged the process of privatisation. The description aims to provide a basis for reflection on these decrees.

Decrees 1 to 9 deal with the minimum standards primary and secondary students should meet and the state’s role overseer of this process. At the same time, the decrees set the rules for the process of official recognition of schools of different levels. Decree 2 mentions the importance of education as a comprehensive development and it remarks that it is a right for all people and that the state should encourage the development of education in all aspects. Pregnant students are accepted to continue their studies and schools should facilitate their academic achievement. In decree 3 the state has to support the public, free system for primary education to ensure basic cognitive skills for the whole population. These decrees are related to the essential right of acquiring cognitive and moral skills. This situation has been questioned over the past few years as it is being argues that the students’ integral development has been left aside for the market idea of competence among different types of schools (OPECH, 2006; Rounds, 1997). Moreover, some primary students from low-income areas, especially rural zones, take longer to learn the basic skills such as reading or writing due to lack of resources, poorly trained teachers and / or untreated learning difficulties (Gauri, 1998).

Decree 9 states that the admission process to schools should be objective and respectful for students. This terminology, however, is quite broad, and leaves room for much reinterpretation of what is objective and respectful. A number of practices carried out today may be seen as going directly against this decree. For instance, it is of public knowledge that all private, well-known schools in Chile have admission tests for 3 or 4-year-old children. The application dates for
these tests are published in newspapers. Furthermore, which method may be objective can be debatable when there are schools for students that are regarded as elite. The schools not only have admission tests, but also parents need to pay a costly membership fee to be part of the school.

Decrees 10 to 20 describe the minimum requirements for students to succeed in primary and secondary school. In decree 18 it is explained that schools have the freedom to create their own plans and programmes. Nonetheless, the state will be in charge of writing a basic universal curriculum which all schools must follow; plans and programmes created by schools may be added to this core curriculum. Schools that only follow the core curriculum normally have minimum requirements for teaching and learning goals. In many cases, it depends on the teachers to be more demanding or each school may have an internal agreement with teachers as a way to improve standards. Decree 19 establishes standard tests, applied by the Ministry of Education, to periodically evaluate the success of primary and secondary schools in achieving the minimum requirements. Since 1988 the test SIMCE has been applied nationwide. The results used to be known only to the schools, but currently everyone can have access to that information. Furthermore, the schools are required to inform their parents about the results of this test as a way to compete and show achievements.

Apple (2006) discusses the experience in England as in many other competitive school environments in which students’ outcomes are exposed. This has led to English schools looking for students that may improve their competitive performance in examination league tables, that is, capable students that can improve their competitive position. This generates exclusion of those students with learning difficulties. A similar situation is seen in Chile where in many schools low-achievers are “suggested” to not attend examination day.
Decrees 21-28 set the rules for the recognition of new schools - preschool, primary and secondary schools. Decrees 29-31 are related to the official recognition of tertiary education institutions. It states that tertiary education institutions should be created following the procedures of the law and that they can only be private and non-profit organisations.

From decree 21 to 86, it is noticeable that there is a shift of emphasis on freedom to set and establish new private education institutions. Thereby, the neoliberal approach was encouraged to become part of the educational system. In reality, most students are not free to choose where to study as choice significantly depends on the students’ own financial resources. Consequently, under this law the state does not ensure quality of the education for all or fix minimum requirements for the official recognition of schools and institutions of higher education.

Chapter 4 IMPACT OF THE LAWS (Municipality Law and LOCE)

4.1 Introduction

Chile has a long tradition of public subsidies to private schools – many of them religious schools – that offer free education. From the 1950s, the state gradually reduced the funding it offered to private schools; without state support, slowly many private schools were forced to close in the late 1960s and early 1970s. The military government intended to change this situation by creating a new model with a different style of subsidy in which private schools could continue to offer their services within the upcoming neoliberal framework (Winkler & Rounds, 1996).

In this chapter, I will describe the consequences the laws – discussed in chapter three – have had on the education system and society over last years.
Both laws are relevant in that they have changed the structure of the education system and have led to growing inequalities in school communities (Gauri, 1998). This had led to a new social process: the social protests lead by Chilean students who have managed to install the need for deep change in an education system that is perceived as broken (Aignere, 2011). A clear majority of the population shares the idea that the economic, social, institutional and cultural model that the military dictatorship created and that was kept for twenty years by the Concertacion must be modified to move towards social justice. Currently, there is a strong demand for structural change, particularly for equality of rights in education, which is based on issues of inequality and discrimination that vast sectors of Chilean society suffer especially in education, health, house, and income. (Agnere, 2011).

4.2 Impact

Avalos (2006) states that there are two main factors that affect education: the level of funding of the system and the quality of teacher training (Comisión nacional, 1995). This municipality law stimulated privatization as an alternative to expand public education. It did so by establishing the voucher system (Rounds, 1997). This was thought as a convenient arrangement to motivate competition between public and private schools. On the one hand, municipal schools found that enrolling more students generated more money coming from subsidies; on the other hand, schools usually did not have enough physical and teaching capacity for large number of students. Private-subsidised schools, however, enrolled students normally up to their physical capacity, as they got capital both from students’ fees and state subsidies (Winkler & Rounds, 1996). That is the reason why the Chilean voucher model is known as a “funds follow the student” system (Mizala &
Romaguera, 2000; West, 1996 as cited in Torche, 2005), yet the system is based on Friedman’s principles (1962, as cited in Torche, 2005) in which competition among schools and freedom of the family to choose among schools are constituted as the bases of the system. Private schools have always charged relatively high tuition fees and their aim has been high-income families. These schools did not shift to the new voucher system because the government voucher was low in comparison with their fees. Hence, new private entities were able to enter the market as providers of subsidised education. A few of the private schools that existed before the reform and that were managed by religious and non-profit organisations functioned as charity; the money these schools received from subsidies was half of what public schools would receive and it was normally delayed and eroded by inflation. However, the majority of private schools that emerged after the voucher system was put into place were run by private organisations that intended to make profits off education (Torche, 2005).

These concerns are part of Parry’s reflection (1997) who supports the points regarding the increase of inequality by discussing that the primary responsibility for financing education should remain in the central government. However, inequality was developed mainly from two sources:
1. Differences in parental contributions to schools due to the segregation of students by parents’ income, and
2. Differences in municipal financial support for education, which means that it is strictly per capita regardless of school circumstances and region.

This has led to a social division of schools in Chilean society, quite different to the New Zealand system in which low decile schools, which have students from low-income groups, receive more funding per student than high decile schools. Conversely, Chilean school state funding depends on how much parents pay for the tuition fees. In this way, all public urban schools receive the same amount of money (Helgo,
And there are five types of schools according to their management: private schools, private subsidised schools in which parents pay monthly fees, private subsidised schools in which parents do not have to pay monthly fees, public schools from wealthy municipalities, and public schools from poor municipalities. Thus, very high-income students attend only private schools, students from middle-class families may attend lower scale private schools or private subsidised schools in which parents pay monthly fees, and that children from middle-low to low-income families only attend non-fee-paying private subsidised schools or public schools. Moreover, there is a student selection process in private subsidised schools which affects the lowest-income groups. The causes may be students’ low score in the exam selection, unable to afford the tuition fees, or students do not pass the personal interview, which can be noted as a biased admission (OPECH, 2006).

A report on Chilean education developed in 2004 by the Organisation for Economic Co-operation and Development (OECD) states that the Chilean educational system is consciously structured based on social classes (OPECH, 2006). The educational policies weakened Chile’s previously strong public education system (Pastrana, 2007 as cited by Cavieres, 2011). Because of their inability to attract as many resources as private or private subsidised schools did, public schools have been unable to maintain high levels of enrollment. This has led to a significant decrease in the numbers of public schools in the country. Prior to the reform, in the 1980s almost 80% of Chilean students attended public schools (Torche, 2005). By 2006, only 51% of schools remained public, 42% were private subsidised schools and the rest were private schools (Departamento de Estudios y Desarrollo, 2009 as cited in Cavieres, 2011). Moreover, a research study conducted by Aedo and Sapelli (2001) analysed examination results of low-income groups and concluded that students who attend poorer schools are not
achieving satisfactory outcomes. It shows a relationship between the low social background and being a student from a public school. According to Taylor (2006) several analysts assert that schools “can risk becoming waste-baskets” (Carnoy and McEwan, 2000; Helgo, 2002) as the students that attend the majority of public schools in low-income neighbourhoods are low-achievers, unmotivated, with few other opportunities that the environment may offer. However, students mainly from Santiago can attend any public school regardless of location. In this way, public schools of wealthier municipalities have increased their enrolment of students as compared to other municipalities (up to 50 per cent more) (Parry, 1997). Voucher schools were a success in urban areas as an attractive alternative for middle-income families who cannot afford private schools provoking a dramatic decline in the enrolment of public schools from 78% in 1981 to 54% in 1999. Yet subsidised schools have also struggled to remain competitive fighting against their fully private counterparts. Many municipalities have been forced to borrow money to keep these private subsidised schools afloat, which has led to an increase in municipal debt (Gajardo, 2002 as cited by Taylor, 2006). In contrast, in the marketised system, private-subsidised school owners are not required to meet minimal requirements of room and recreational space, resources and school materials that can guarantee educational quality; therefore, for many of them, their main concern is their business, which is stimulated by the voucher system as it boosts the capacity of school entrepreneurs to do business (OPECH, 2006; Gauri, 1998) by enrolling more students and then obtaining profits from subsidies and parents’ tuition fees. On the other hand, the Ministry of Education has invested indirectly in education by providing textbooks, school food, and granting schools money based on improvement plans that they must apply for a competitive basis (Rounds, 1997). In relation to educational processes, i.e. teaching practices and
the students’ needs and interests, the Ministry of Education keeps control over quality by setting and administering SIMCE exams. Currently, the result of this test is public and the schools is required to show them to parents, which generates strong competition among schools who are counting on high SIMCE scores to attract potential students and retain enrolled students. This, in turn, sometimes generates conflicting situations as teachers are required by their schools’ administrators to enable their students to obtain good results in the standardised exam SIMCE (Avalos, 2006). There are, however, a number of factors that might vary the outcomes. First, this evaluation is not summative; therefore, students may choose not answer questions during examination. Second, the test intends to measure specific contents that may not be managed by all the students, and in that case, many schools “suggest” those students not to sit the exam. Finally, the score results is an assessment of contents, however it is not a support for improving the educational processes.

In addition, the model of the Ministry supervision is not coherent with the school owners’ and municipalities’ legal responsibilities of educational management (OPECH, 2006). As Smyth (1996) states school self-management can be tricky because parents have to pay for a service without guarantee that the result will be positive. However, the image is the pursuit for quality and local control, but this seems to be a strategy devised by management to sell a better profile, as any product that is bought. On the other hand, schools seem to be committed to market forces and accountable to measurable outcomes. Codd (2005) discusses “this process of simultaneous devolution and control, teachers have been increasingly ‘managed’ so that their productivity can be measured in terms of the test results and examination performances of their students”.

In this way, as Chilean private schools are provided with resources, therefore the administration should demonstrate
productivity and efficiency, however public schools lack of resources and efficiency. This shows that the competence is unequal.

Some statistics reflect the large differences in municipal spending, there is a significant disproportion in municipal schools (Parry, 1997). The level of school funding diminished in the proportion of the national budget from 19.9% in 1983 to 13.2% in 1993. This situation affected the maintenance of school resources such as laboratory materials, books, building refurbishment and also teacher salaries (Avalos, 2006). By that time, a reform that could improve the education system was necessary; therefore a new law was created with the purpose of improving efficiency in the provision of quality education (Cavieres, 2011; Torche, 2005).

LOCE allowed parents to contribute to the school by paying fees in addition to the state subsidy per student without ensuring quality. Most of these private-subsidised schools make use of decree 9bis in which student selection is ruled, leaving aside students with learning difficulties; thus, these schools can obtain better results in the SIMCE (OPECH, 2006).

Some scholars argue that in Chile there is an educational “apartheid” that has led to a crisis in education equity and quality. (Gauri, 1998; Helgo, 2012; OPECH, 2006)

Quality Crisis: the outcomes in subjects such as Math and Spanish have been measured by the SIMCE scores and they have not shown improvement in recent years. Quality issues affect the three educational systems – public, private and private subsidised – with private schools getting better results in the SIMCE due to the students’ selection carried out by these schools. Therefore, these private schools concentrate the largest quantity of students with of high socio-economic background (Schielhelm & Schielhelm, 2000; OPECH, 2006).
Equity Crisis: Equity in education was the second biggest aim of the reform of 1990, i.e. LOCE. The achievements have been limited to include primary and secondary education, but unfortunately not in preschool of higher education. At the same time, the deep academic differences between schools have been kept and even seems to have increased over the years (Schielfelbein & Schielfelbein, 2000; OPECH, 2006). Both crises are based on decree 19bis which rules student selection for schools. This highlights the neoliberal approach of freedom of choice for parents and schools while promoting individualism.

The ranking of the National Test PSU, which allows students to access to higher education, was published in the Chilean newspaper “La Tercera” on 3 January 2013 and on the most popular Chilean channel TVN. This ranking indicated that academic differences exist between public, private-subsidised and private schools, and that the type of school a child has attended has an effect on the possibilities teenagers might have in the future. It is relevant to mention that the highest scores in the first two municipal schools correspond to the two most prestigious and oldest schools in Santiago: Instituto Nacional and Carmela Carvajal; both schools have a high percentage of students from all over the city applying for placements in 6th year.

<table>
<thead>
<tr>
<th>TYPES OF SCHOOLS</th>
<th>The highest average score obtained</th>
<th>The lowest average score obtained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>Number 1 : 709 points</td>
<td>Number 50 : 658 points</td>
</tr>
<tr>
<td>Private subsidised</td>
<td>Number 1 : 660 points</td>
<td>Number 30 : 610 points</td>
</tr>
</tbody>
</table>
The entrance score for studying Medicine in Santiago at the Catholic University, one of the most prestigious public universities, was 783.5 in 2013, which may vary each year according to the average score obtained nationwide. For the career of Pedagogy in primary school the score was reduced to 622 points at the same university; this is the lowest score required for all studies at this university (www.universia.cl). The careers with low demands in private universities or outside Santiago do not require a significant score to enter. Therefore, the sense of commitment with quality of education is not relevant, but to maintain students that can afford the tuition fees and produce “professional people” that may not be enough prepared for the working world (Monckeberg, 2011).

4.3 Teacher’s role

The reform not only affected teachers’ performance and salaries, but their lives (Schielfelbein & Schielfelbein, 2000). In Chile, teacher salaries are relatively low with respect to other jobs that also require four-years of university studies. When the municipality was issued, the military government intended to reduce the power of teachers’ union by declining salaries (Schielfelbein & Schielfelbein, 2000). Even more, nearly 10 per cent of the teaching staff with left-wing party tendencies was expelled during the period of 1974-1980. The reform in 1981 changed the traditional pattern by arranging the salary to be determined by the market demands. However, the expected improvement in the quality and functioning of the educational system derived from market choice, public choice, and local negotiations did not become a reality (Schielfelbein & Schielfelbein, 2000). Moreover, teachers working for public schools were paid by
municipalities; thus, a richer administration could present a better offer to their teachers. A study conducted in 1990 showed that Chilean teachers were paid 25% less than in other countries with similar economic conditions (Lockheed & Verspoor’s, 1990 as cited in Avalos, 2006 p 221). Thus, because of low salaries and hard financial conditions capable students do not choose a teaching career. This has led to a lack of qualified teachers, especially in the Sciences. On the other hand, teachers discuss about the quality of teaching mainly because of the poor preparation for innovative teaching and the appropriate interrelation between knowledge, learning and pedagogy (Avalos, 2006). This has led to issues related to teaching methodology and learning materials, which have affected students’ achievement mainly in low-income schools. These school limitations can be viewed in a study in which 40% per cent of 4th grade children were unable to understand a short message of a newspaper article (Schielfelbein & Schielfelbein, 2000).

This situation may be blamed teachers. However, when the reforms in 1981 and 1990 were issued, they were thought to be adopted by teachers. This is, that teachers should use their knowledge and experience to improve and facilitate students’ learning process. “In the Chilean educational culture each teacher was expected to start preparing lesson plans from scratch” (Schielfelbein & Schielfelbein, 2000, p 419), however teachers have not been given appropriate training, school resources and enough time to prepare their lessons.

Chapter 5 CONCLUSION

5.1 Introduction

This research has been based on the rationale of decentralisation process in Chile which generated neoliberal educational policies that has caused social inequity,
educational shortfalls and social issues over the last decades (OPECH, 2006; Helgo, 2012; Pino-Ojeda, 2011). This has been my main motivation as I have seen during the course of my career how these policies have affected dramatically school communities, students and teachers creating an educational reality that is causing struggles and issues among school stakeholders and the government (Monckeberg, 2006; Waissbluth, 2006).

However, in many countries decentralisation was adopted for different motives. Some of them were political, some of them administrative or both. The reforms with political aims intend to strengthen the power in different groups whereas the administratively motivated reforms aim to provoke changes in the function of bureaucracies. (Bray, 1996). This theory inspired by neoliberal policies has been the foundation of this investigation due to education has been impacted with free-market initiatives that offer good quality of education for only a group of people.

When I started this research, the literature review gave me the necessary perspective to identify the reasons of the social issues related to education decentralisation. In Chile it seemed to be a model of simple and linear change that could be applied, which should have guaranteed the increasing participation in the citizens’ representation; in this process it is assumed that such participation would be developed following a uniform trend towards equity. As decentralisation has not worked properly the explanation has blamed technical faults in the process (Espinoza & Gonzalez, 1993; OPECH, 2006). In recent years, many education reforms have been motivated by economic, rather than educational reasons. Twenty seven education systems of countries belonging to the Organisation for Economic Cooperation and Development (OECD) have dedicated their efforts to improving the efficiency in education (Coulson, 2005). As an example of this, school choice programmes and proposals have increased in the US and Chile in the last
decades creating criticisms to a model that serves only to a portion of the population (Coulson, 2005). These issues have been the reason of this essay and the conclusion is based on a research of the Chilean policies that affected not only that country, but many nations that adopted the neoliberal system that involves decentralisation, voucher system and privatisation. The argument of this dissertation has been that at what extent and how educational neoliberal policies have impacted in education quality and social equity.

5.2 Educational choice as means of social exclusion

The question is, who benefits from educational choice? Studies have been carried out in Britain, France, and the Netherlands that sought to investigate the effects educational choice had on low-income parents and children. The European experience demonstrates that educational choice tends to deepen class segregation through the effects of different preferences and information costs (Ambler, 1997). The American proponents of school choice, from 1980s including presidents Reagan and Bush, affirm that by exposing schools to market self-control, schools will end up responding to parents’ demands, improving their services in light of competition. However, according to the system, parents are exposed to school marketing and told, especially by private schools, that if their children were to attend a given school they would achieve three goals: higher average academic achievement, lower costs and higher equality of opportunity (Ambler, 1997). Nevertheless, studies from different scholars (Lankford & Wyckoff, 1992; Manski, 1992; Chriss, Nash & Stern, 1992; Levin, 1991, pp 149-150) illustrate the educational gap between low-income groups and the privileged groups is widened. The issue seems to be that social classes differ strongly in motivation, in the costs of time and effort required to obtain information on educational options, and in their capacity to understand...
and evaluate information once collected (Ambler, 1997). While high-income parents would assess schools on their own, parents from low-income families need to be urged to attend orientation meetings and visit schools in order to build their knowledge and awareness before choosing a school for their children. Moreover, it is a hard task to evaluate the weaknesses and strengths of different schools when public schools have interest in holding on to their students and the funds that come with them. The same is true for private schools that, besides continuously working to retain enrolled students, seek new ones by highlighting their strengths while hiding any weakness in advertising campaigns designed for this purpose (Ambler, 1997).

Coulson (2005) argues that “competition and parental choice would not improve academic outcomes; they would instead widen existing racial and socioeconomic achievement gaps” (p. 162). This is also supported by a paper by World Bank researchers Chang-Tai Hsieh and Miguel Urquiola (as cited by Coulson, 2005) that examined data collected over eight years of the Chilean voucher programme. This study determined that high-achievers are attending schools in the private sector. Another situation that arises from the voucher programme is that schools –private and private subsidised schools– after the 1990 reform have a significantly better performance in the SIMCE test than municipal/public schools (Sapelli and Vial, 2005, as cited by Coulson, 2005). In brief, markets do not ensure that every school can serve every child (Coulson, 2005).

5.3 The neoliberal approach has shown unsuccessful outcomes in education quality

The appropriate school policy issue is which governance and funding processes most efficiently promote the intellectual development of children. Market-oriented approach is widely appreciated because of its ability to achieve minimum cost,
maximize innovation and be able to address diverse preferences (Merrifield, 2005), however comparisons between public and private schools show lack of efficiency in public schools. Not only in Chile but, the US and New Zealand, most private schools can work with less money per child than their public sector and to obtain equal or slightly better exam scores. That should be “sufficient to demand far-reaching change in at least the public schools” (Merrifield, 2005 p 178). This suggests that it is feasible to change the Chilean system in which public schools may have good outcomes as it used to be before the reforms. Moreover, considerable dissatisfaction with school effectiveness exists even in some countries that seem to be relatively well known for achieving good academic results. In New Zealand, for example, despite the government implemented decentralization policies in 1989, the central government maintains strictly controls of supply of schools and dictates curricula, qualifications systems, teacher contracts, etc. Popular schools suffer crowding and have waiting lists. And the government refuses to invest in new school facilities while others are under-used. Teachers complain that curriculum is the same for all students regardless to students’ abilities or inclination. All these factors may cause a concern about academic outcomes. In the US, the state spending is high on education, but results are low. For parents the flaw is due to effective schools or good programmes are excessively demanded and parents need “to line up in advance or hope for the luck of the draw to have their child accepted” (Merrifield, 2005 p.180) A similar situation happens in Chile with the best-known public schools where students need to apply for a long selection process.

Moreover, as it is possible to analyse in the decrees of LOCE, there is an encouragement of private institutions, which enhances that private and private-subsidised schools serve only one part of the student population (Coulson, 2005).
Waissbluth (2005) points out a study elaborated by the Second International Adult Literacy Survey (SIALS) of OCDE about public school students. In this study, the data shows a student who graduates from a public school with a low score in the standardized tests is less likely that can be successful in higher education due to his/her lack of basic cognitive skills such as reading comprehension.

On the other hand, the Chilean neoliberal policies have impacted on education system because of teachers’ have not been provided with appropriate training, incentives for better performance, neither better teaching and welfare conditions, despite the Teachers’ Law (Estatuto Docente) was created in the first democratic government in 1990. Most of the teachers’ demands were satisfied: it raised the national minimum salary for public and private subsidized schools, establish a graduated pay scale based on experience for teachers from municipal sector and also limit the reasons to dismiss teachers from this area (Gauri, 1998), which has meant that teachers are “owners” of their posts (Waissbluth, 2005). This situation has generated that many municipalities have school teachers that are absent many days during the year and/ or they do not commit with the profession. Moreover, due to the creation of private universities, many students with low score in the standardized test to enter to university (PSU) opt to study Pedagogy in these universities as a way to have a secure salary and being professional (Waissbluth, 2005). On the other hand, there are teachers from municipalities that are dismissed at the end of every year and at the end of February, when school starts, they have to see if they are hired again. In this way, municipalities do not have to pay for their years of experience.

5.4 Conclusion and suggestions

In summary, the educational system has suffered from funding deficit and low-income students have been the most
affected group (Gauri, 1998). Subsequently, the belief that academic achievement is linked to a better paid education needs to be changed in the Chilean way of thinking. It is urgent to change the municipality law so that schools could be transferred to the Ministry of Education and not to depend on the municipalities’ resources. Thus, public schools may be provided with similar amount of funds that can be further improved with a higher budget for school materials, infrastructure and also increase teachers’ training and wages. If private sector are willing to invest on education, they should be ruled with paradigms of social equity, modernisation and without student selection as it used to be in Chile decades ago (Comisión Nacional as cited in Avalos, 2006).

Studies from OPECH (Observatorio de Politicas Educacionales de Chile, 2006) and Cavieres (2011) conclude that the neoliberal model of privatisation should be changed to reduce the performance gap among social groups. Despite the democratic government investments in human capital and technology, the goals of these investments do not reach all groups of the society. Furthermore, this neoliberal model has changed the purpose of education based on principles that have made people believe that they are democratic, because parents have the possibility of choice. However, the model has only created social exclusion and a deep gap between social-economic classes (Cavieres, 2011; Pino-Ojeda, 2011).

Changes in policies need to be done to improve quality of education and social equity. In 2009 LOCE was transformed to LGE, but it was not enough as the policy continues promoting privatization. This is unlikely to realise if the government is not aware of the damage to the Chilean society and that education should be the base to maintain it healthy and modern. Chile will face a turning point in the next presidential elections in November when ex-President Michelle Bachelet is expected to win the elections and there is a high expectancy for the future actions that should be able
to do during her new government. It is imperative to increase the investment in education that can enhance equity and continued growth in which all the students can have the possibility to study in a good atmosphere with well-equipped schools and well trained teachers.

Although my research was confined a small project, I believe that the findings obtained from it have offered me, as an international student, an enabling critical view of this neoliberal model in Chile and worldwide. I hope this knowledge can be useful for the Chilean educational system or further studies that may be generated to change these two laws that I analysed.

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APPENDIX : Glossary of Acronyms

1. CORFO…………. Development Corporation
2. DAEM………….. Management of Municipal Education
3. JEC……………... Complete School Day Law
4. LGE……………..General Education Law
5. LOCE……………Constitutional Teaching Law
6. ODEPLAN……..Planning Office
7. OECD…………….Organisation for Economic Cooperation and Development
8. OPECH…………..Chilean Educational Policies Observatory
9. PSU……………….University Admission Test
10. SIALS…………..Second International Adult Literacy Survey
11. SIMCE…………..Education Quality Measurement System
12. TVN……………..National Television
13. USE…………….. Teaching Subsidy Unit