

# Experiencias del sistema de formación técnica

## **A comparative look at Mexico and Turkey**

Merve Sancak

*University of Cambridge*

**ms2166@cam.ac.uk**

# Context and puzzle

- Skill shortage in the middle-income countries
- Different solutions by different countries & firms
- Recent establishment of skill formation institutions
  - Standardization and certification systems as one solution to skill problem in a number of MI countries
- Mexico and Turkey: CONOCER and MYK
  - Similar starts, diverging paths

## Political economy of skill formation in advanced industrialised countries

- Who controls?
- Who provides?
- Who pays?
- The relationship of training to general education?

### Types of vocational education and training systems

		Involvement of Firms in the VET			
		low		high	
Public Commitment to VET	high	<i>collectivist, state based</i>		<i>collectivist, firm-sponsored</i>	
		Finland, France	Norway, Sweden	Germany, Netherlands	Austria, Switzerland, Denmark
	low	<i>liberal</i>		<i>segmentalist</i>	
		United States, UK		Japan	

## Why Mexico and Turkey?

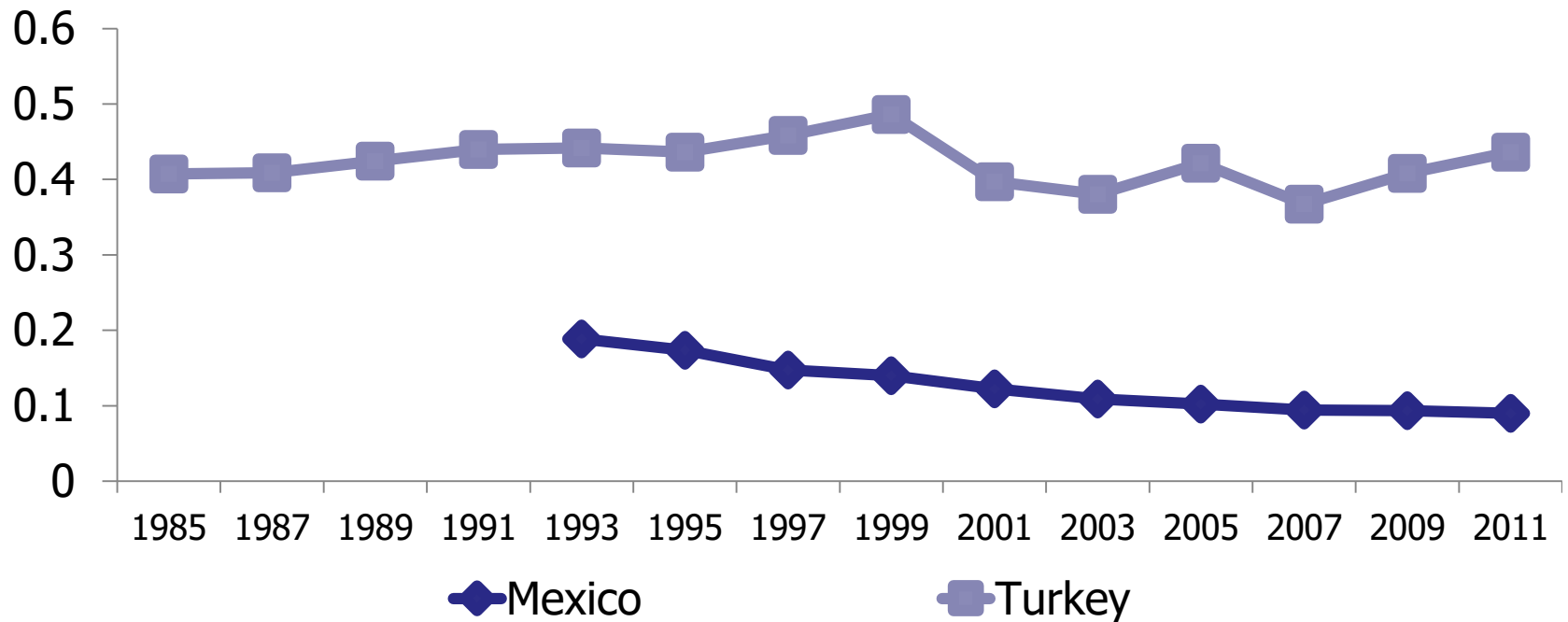
- Important cases to compare the political economy (of skill formation)
  - Liberalisation in the 1980s and the aftermath
    - Improvement in mid-tech manufacturing and the focus on industrial policy, especially automotive manufacturing
    - Connection to North American vs. European markets
    - Changing roles of the state and the business
  - *Deregulatory and subcontracting* (Bizberg, 2015) vs. *regulatory and social* models capitalism (Onis 2012)





# The level of public commitment

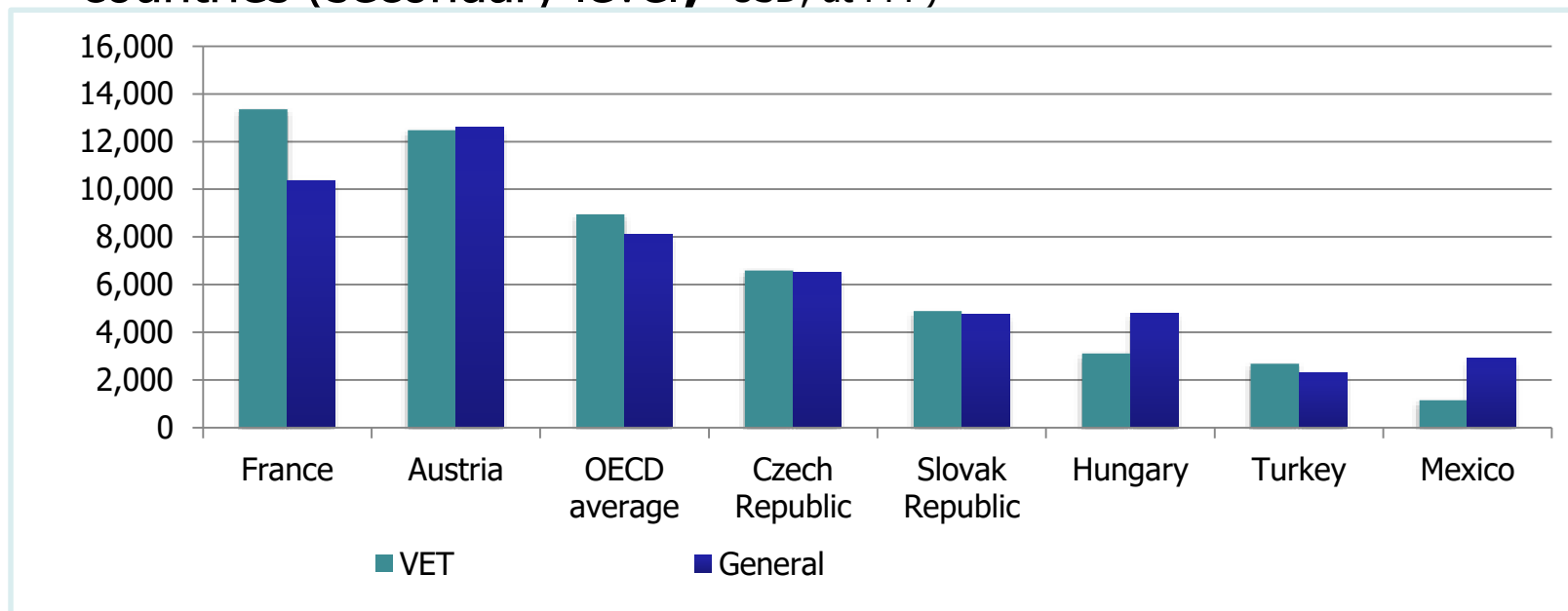
The share of students in VET schools in secondary education



Source: OECD Education at a Glance, 2013

## The level of public commitment

- The public spending for VET per student in 2010 in some OECD countries (secondary level, USD, at PPP)



- The level of public spending for retraining programmes as part of active labour market policies:
  - Turkey: 0.08 per cent of the GDP
  - Mexico: 0.01 per cent of the GDP

## Firms' involvement in VET (of 4 firms)

		Mexico	Turkey
Characteristics of employing workers with technical skills	Operators	<ul style="list-style-type: none"> <li>· Mainly have lower secondary level education</li> <li>· Employ someone with no experience, develop skills on the job through on the job learning and internal training</li> <li>· No certification</li> </ul>	<ul style="list-style-type: none"> <li>· Mainly graduated from vocational high schools (VHS) (upper secondary)</li> <li>· Employ someone as trainee while studying</li> <li>· Also with lower education levels               <ul style="list-style-type: none"> <li>- Employ someone from ALMP programmes (UMEM)</li> <li>- Employ someone without certificate (but some experience) and get that person certified</li> </ul> </li> </ul>
	Technicians	<ul style="list-style-type: none"> <li>· Mainly graduated from technical schools (at post-secondary level)</li> <li>· Come with experience</li> <li>· Marginal internal training</li> <li>· No certification</li> </ul>	The same as operators
Links to the public VET system		<ul style="list-style-type: none"> <li>· Very few graduates of CONALEP schools, no graduates from DGETI schools</li> <li>· No interns from CONALEP</li> <li>· No interns from the ALMP programmes</li> </ul>	<ul style="list-style-type: none"> <li>· Prefer graduates of VHS</li> <li>· Develop links with VHS               <ul style="list-style-type: none"> <li>- to receive interns</li> <li>- to improve the infrastructure of the school</li> </ul> </li> <li>· Develop links with the local chamber for ALMP programmes</li> </ul>



# General results

## ■ Types of VET

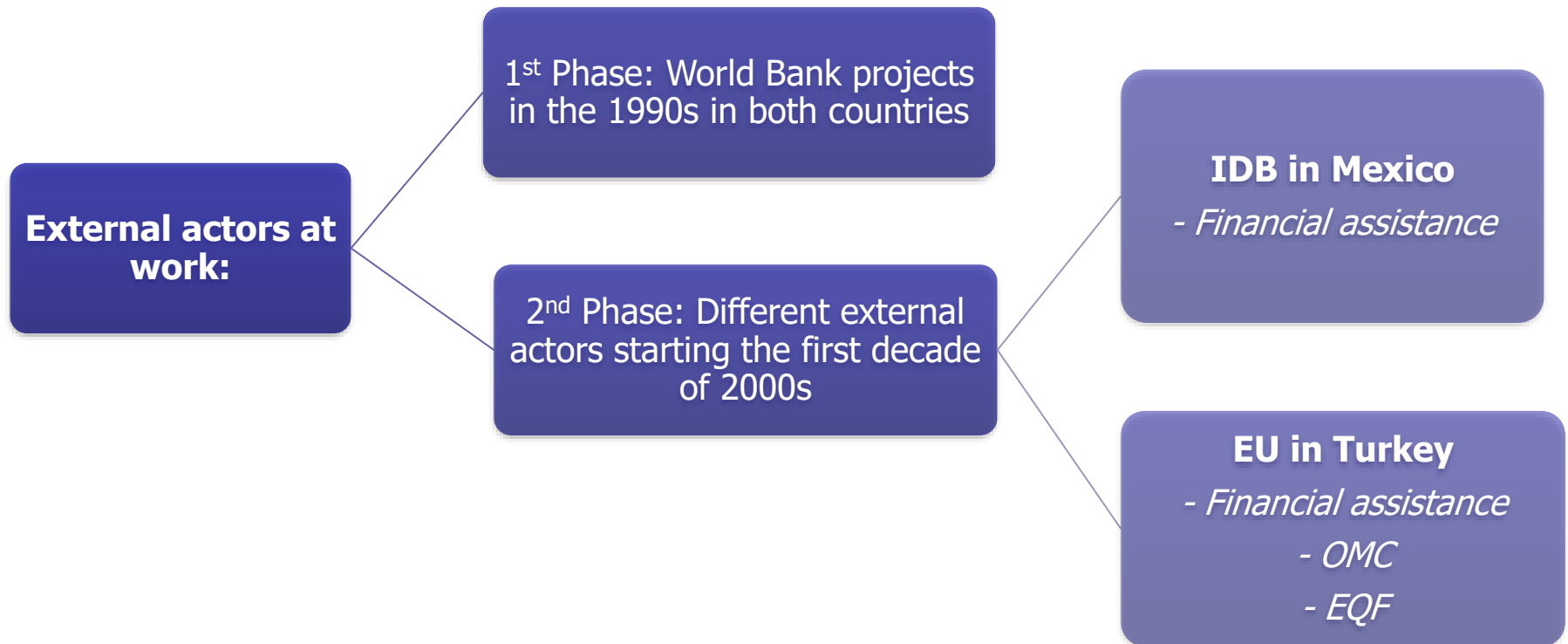
- Who controls?
- Who provides?
- Who pays?
- The relationship of training to general education?

Public Commitment to VET	Involvement of Firms in the VET	
	low	high
low	<i>collectivist, state based</i> Finland, Norway, Sweden, France	<i>collectivist, firm-sponsored</i> Germany, Austria, Switzerland, Netherlands, Denmark
high	<i>liberal</i> United States, UK	<i>segmentalist</i> Japan

**Turkey?**

**Mexico?**

# Development of standardization and certification systems: external actors



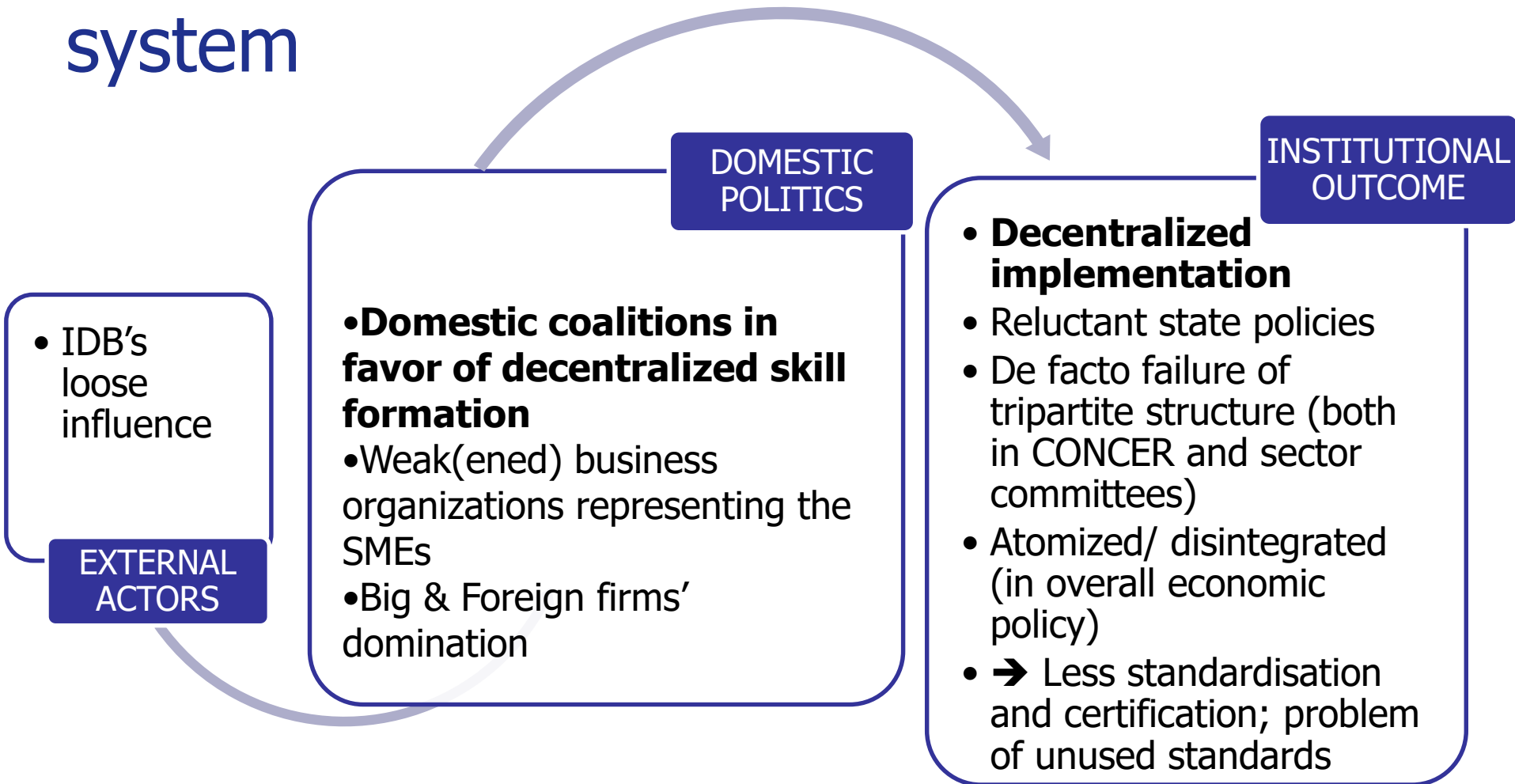
# Development of standardization and certification systems: local factors

- State-business coalitions and interests for skills
  - Continuing state-large conglomerates coalition in Mexico
  - Increasing power of SMEs in Turkey → new state-business coalitions

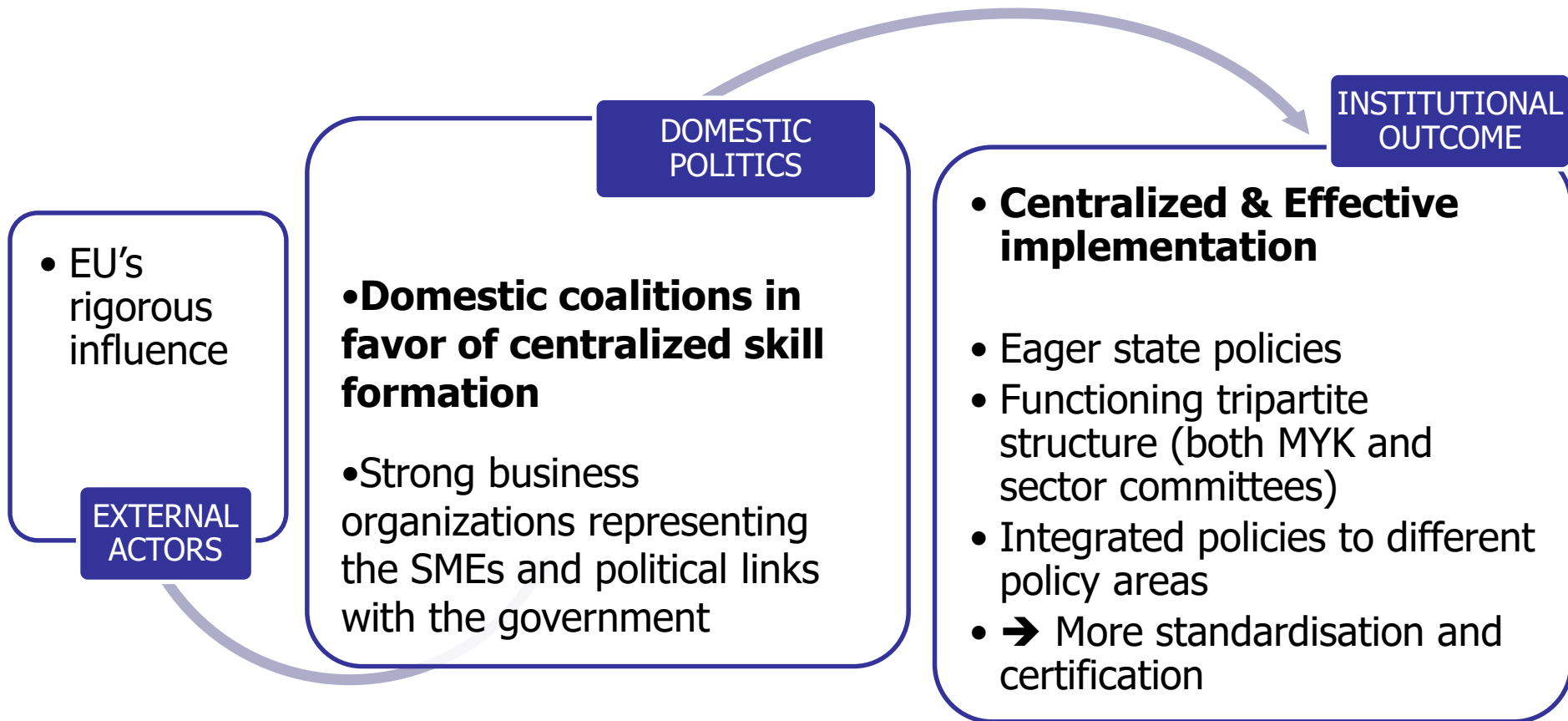
# Similar starts, diverging paths

External influence \ State's ownership	Reluctant	Eager
Loose	Mexico	
Rigorous		Turkey

# Mexico: Making of a decentralized system

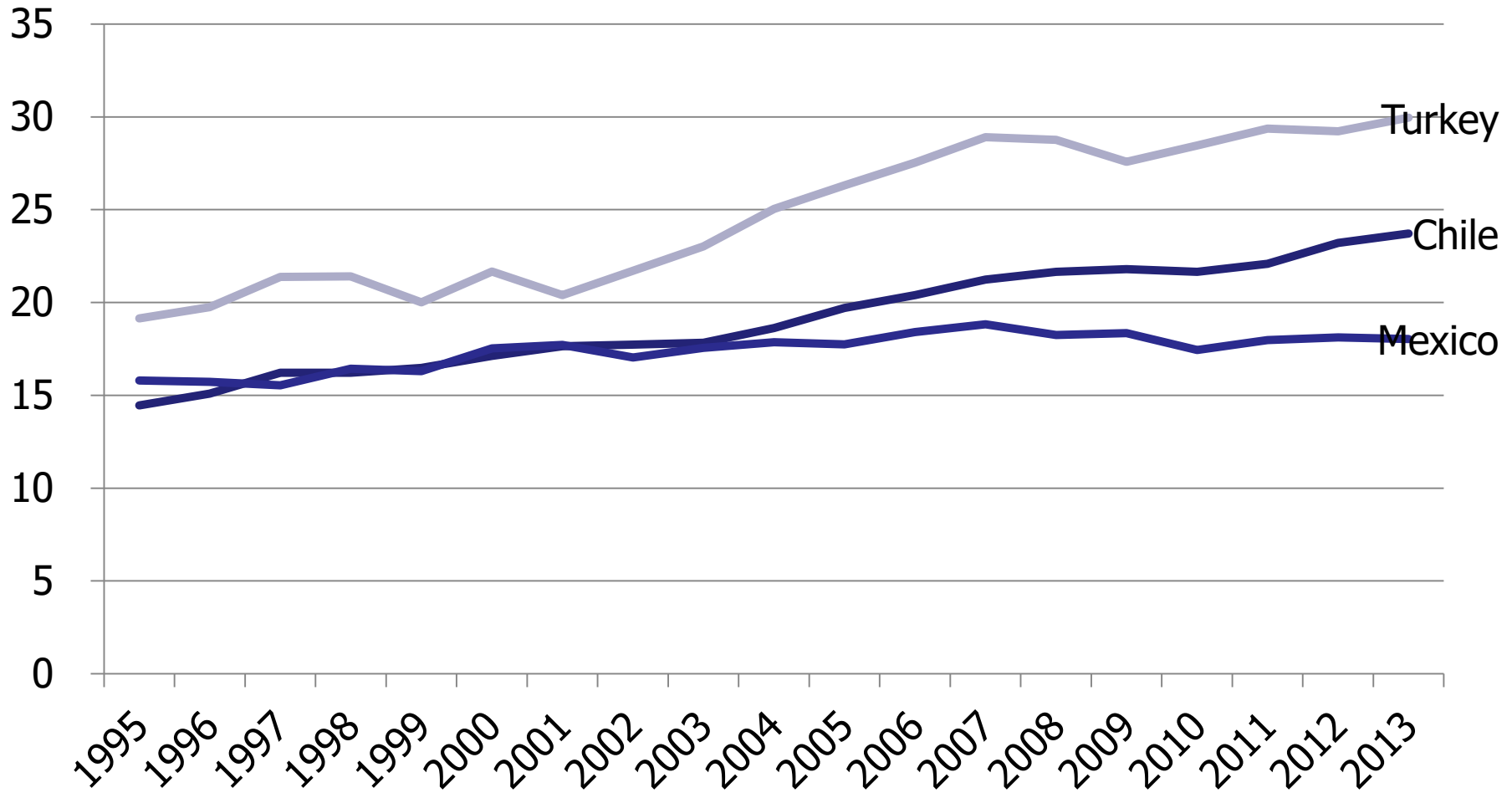


# Turkey: Making of a centralized system





## Labour productivity in selected EEs (GDP per hour worked, USD constant prices, 2010 PPPs)



## The biggest obstacle faced by the company (first 10 obstacles)

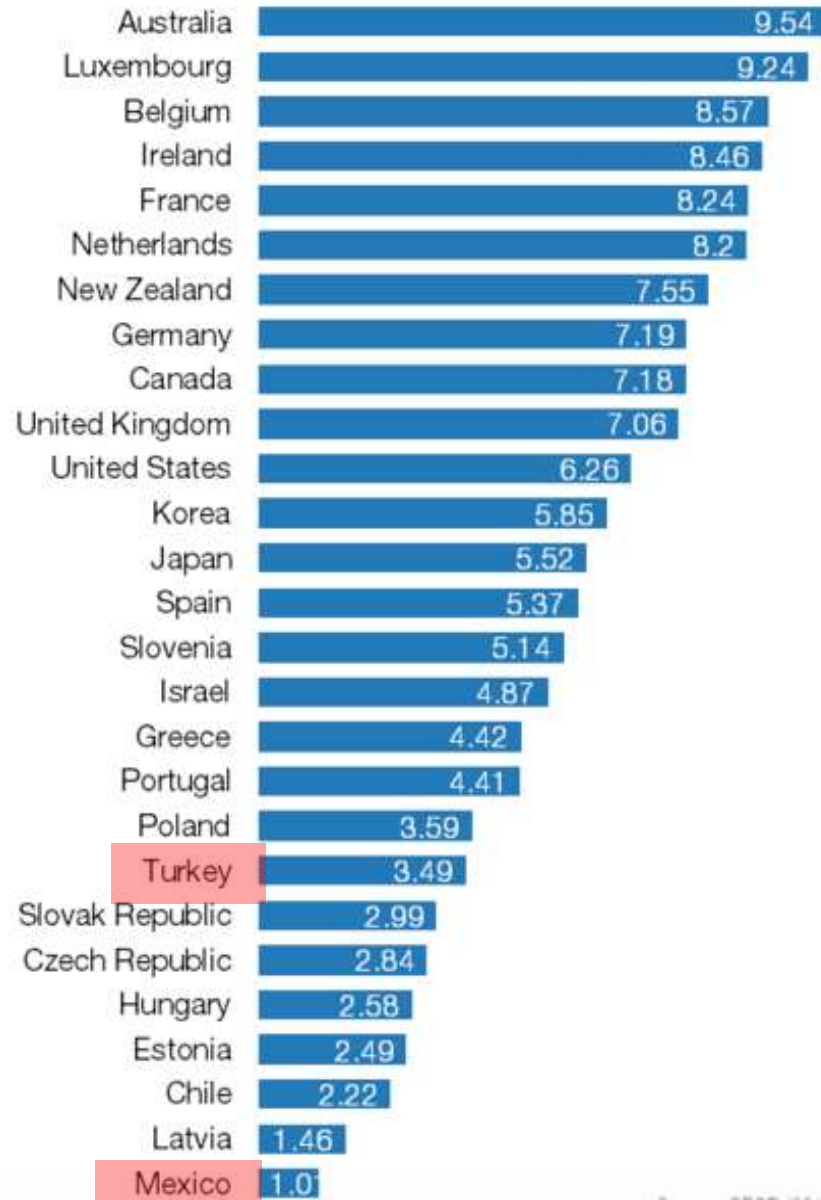
### Mexico (2010)

### Turkey (2013)

Informal sector	15.68	Tax rates	24.61
Tax rates	12.68	Informal sector	19.55
<b>Inadequately educated workforce</b>	<b>10.7</b>	Political instability	13.26
Access to finance	10.43	Access to finance	11.57
Corruption	10.36	Electricity	8.99
Electricity	8.86	Corruption	5.73
Crime, theft and disorder	8.32	<b>Inadequately educated workforce</b>	<b>5.51</b>
Political instability	6.2	Transport	2.47
Business licensing and permits	4.43	Tax administration	2.02
Tax administration	3.82	Access to land	1.35

## Minimum wage rates in OECD countries

USD per hour after taxes, at PPP



## Real minimum wages in OECD member MI-countries (USD constant prices, 2014 PPPs)

