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Voucher Program for Secondary Schools: The Colombian Experience

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**Voucher Program for Secondary Schools:
The Colombian Experience**

by
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Abstract

In early 1991, the Colombian authorities decided to create a voucher program for secondary education. In the long run, the authorities believed that efficiency would improve by fostering competition among secondary high schools. The program was officially launched in the ten largest Colombian cities in the fall of 1991 and approximately 18,000 vouchers were allocated. Four years have passed since its creation and today Colombia has 100,000 subsidized children attending private secondary schools. This paper analyzes the implementation of the voucher program, its accomplishments, the obstacles it has faced and highlights lessons that can be derived for the future of the program and for other countries considering voucher subsidies.

Contents

Introduction	1
The Need for Vouchers: Background on Colombian Education	1
The Voucher Program.....	3
Theoretical Considerations	4
Pragmatical Considerations.....	5
Starting the Program	6
The Parents	6
The Private Schools.....	8
First Years.....	8
Problems of the Program: Some Are Real, Some Are Not	9
The Substitution Effect	10
The Quality of Subsidized Private Education.....	12
Payment Delays	15
Lessons for the Future and Recommendations	16
References	18

Introduction

In early 1991, the Colombian authorities decided to create a voucher program for secondary education. This program started out with 18,000 students and today it reaches almost 100,000 low-income subsidized students in private secondary schools.

This paper analyzes the implementation of this system of demand subsidies, focusing on the following issues: Was there a need for a voucher program? Which considerations were taken into account by the government? Why was the program relatively easy to implement? How did it start? What are its accomplishments? What are the main problems of the program? and, What is expected for the future?

The Need for Vouchers: Background on Colombian Education

In 1960, Colombia had one of the most inequitable education systems in the world (Departamento Nacional de Planeación y Presidencia de la República, 1991). The next 15 years were characterized by an impressive expansion of investment in the education sector, which raised the average years of schooling from 2 1/2 to 5 1/2. However, the growth of the education sector virtually stopped around 1975, mainly as a consequence of institutional problems, extremely centralized management, and lack of political will to make the necessary investments and changes.

Primary education indeed benefited from the big push of the 1960's and early 1970's. By 1990, the enrollment rate in elementary schools had reached 85 percent; in the primary school system, 80 percent were public schools and 20 percent private.

Nevertheless, the efforts had fallen short in the area of secondary education. The enrollment rate was only 50 percent, even though more than 40 percent of secondary schools in Colombia are private. Two reasons contribute to explain this low enrollment: (i) the quality of primary education was unsatisfactory to the point that a substantial number of

students did not finish elementary school; and (ii) there was a substantial number of low-income children who finished their primary education at a public school, but were unable to continue their secondary education.

With respect to the quality of education, a study made by the Ministry of Education in 1991 (Ministerio de Educación, 1993) found that in almost all the regions in Colombia, private schools were academically better than public schools. Furthermore, on average, students were not acquiring the necessary basic analytical skills.

On the other hand, the main reasons why children were not able to continue their secondary education were the high cost of education, overcrowded public schools, and the children's need to work (Vélez, 1994). Hence, policies which lowered the cost of secondary education could increase the level of school enrollment.

There were other problems as well, such as the substantial inequity of the secondary education system. While a low-income household spends, on average, 9 percent of its income on secondary education, a high-income household spends only 1.7 percent (Molina, Alviar and Polanía, 1993). This implied that any subsidy program that focused on all low-income, private elementary students, would have important redistributive and welfare-enhancing effects.

Another predominant characteristic of the Colombian education system was, and is, that most of high- and higher-middle-income families sent their children to private schools. This has had the serious effect that the dominant social and economic sectors have shown no personal interest in the quality and development of public education (Montenegro, 1995). On the other hand, most low-income parents have no choice but to try to place their children in a public school.

By 1990, not only the education sector but the economy as a whole had stagnated. In his inaugural address, President César Gaviria talked about the need to open the economy to international competition, to reform Government, and to concentrate public spending on social sectors and infrastructure (Hommes, Montenegro, and Roda, 1994). Education was deemed especially important, not only to increase equity but also to enable Colombia's productive

sectors to compete with the rest of the world. Furthermore, this investment was considered to offer one of the highest rates of return (Londoño, 1995).¹

Consequently, the National Planning Department and the Ministry of Education decided not only to expand enrollment in public secondary schools but also to promote private institutions. This idea was sketched in the National Planning Document *Plan to Open the Education Sector* (Departamento Nacional de Planeación, 1991): "to expand private sector secondary education, scholarships would be granted to low-income students."

The Voucher Program

In March 1991, a team, under the direction of Education Minister Alfonso Valdivieso, started working on a voucher program. The short-run objectives were to (i) close the gap between the relatively high primary school enrollment rate and the relatively low secondary enrollment rate, by using the large private secondary infrastructure, (ii) to expand the very limited choices that the poorest families had in relation to secondary education for their children, and (iii) to improve equity. In the long run, the authorities believed that efficiency would improve by fostering competition among secondary high schools. Furthermore, it was clear that the voucher program would eventually create an excess demand, and that therefore the supply side had to be expanded.²

The beneficiaries of the program were low-income students who finished their elementary education in a **public** school, and did not find a place in a public high school or chose to continue their education in a private school. The children were to be given a voucher, which would pay their tuition, or most of it, at the private school of their choice.

¹The high rate of return of investment in education is well documented in the literature. For example, Londoño (1995) estimates that a plausible rate of return for Latin America would oscillate between 25 and 50 percent.

²During 1991 the Ministry of Education developed another program with FINDETER (a second-tier government financial institution), which subsidized the construction and expansion of private and public secondary schools.

The following sections study this process, focusing on the theoretical and pragmatical considerations taken into account by the Administration, on the implementation and the first stages of the program, and on the main problems that have arisen.

Theoretical Considerations

The obvious questions that needed relatively quick answers were: What is a voucher program? Why a voucher program? What kind of schools would students have access to? Who would benefit?

The basic idea found in the literature is that "instead of being offered 'free' education, students or their parents should be given a voucher (financed from public funds) of a certain monetary value that could be used to pay fees at schools, colleges, or other educational institutions" (Psacharopoulos and Woodhall, 1985). Equally important, students would be permitted to attend the institution of their choice.

Additionally, voucher enthusiasts believe that they will increase efficiency, promote diversity, and encourage technical dynamism (Friedman, 1980; Blaug, 1987). As Marais (1993) well summarizes, "since individuals could vote with their feet, those schools performing services not valued by society would lose pupils to their more responsible or efficient competitors."

The next issue was one of equity. Voucher critics warned that this type of plan would benefit parents who were economically favored, and that low-income parents would not be able to afford private schools even with a voucher (Lieberman, 1989). These considerations were especially important in the present case, because of the substantial income disparity in Colombia. The simplest proposal by Blaug (1987) was to reduce the value of the education voucher in direct proportion to declared income. In Colombia the decision was to target only low-income families.

An additional step was to define the reach of the program. Blaug (1987) talked about limited vouchers, which confines the program to public schools, and unlimited vouchers,

which allows parents to cash them at any private or public school. As mentioned before, in Colombia the program was confined to private schools.

Finally, there was the question of increasing, or at least maintaining, the quality of education received by low-income students in public schools. The most important and obvious control would be the parents. As Edwin West (1996) indicates, although some people believe that parents cannot be expected to make sound choices, empirical studies have shown that parents with only modest amounts of education can make rational choices for their children. However, given the lack of information about the quality of schools, and in many cases the shortage of schooling opportunities, some system of government monitoring could be implemented.

Pragmatical Considerations

A general problem of the public sector is its lack of credibility, and in Colombia this is particularly acute. It was clear that the private schools would not form part of a voucher program which subjected tuition payments to the inefficiencies and delays of the public sector. That is, a first consideration was that the payment of the voucher could not depend on the willingness of public bureaucracy.

The private sector also feared the possible politicization of the program. The Colombian Institute of Educational Credit (ICETEX) has played an important role in financing higher education. Nevertheless, its role in secondary education has been highly questioned, because of its distribution of the infamous parliamentary (pork) grants. In any case, any program trying to gain credibility in the private sector would need to eliminate any perception that politics are involved.

Another consideration was that Colombia was starting a decentralization process, and therefore the local municipalities had to be involved in the program. The Ministry decided that the central government would pay for 80 percent of the cost of each voucher and the cities

would cover the other 20 percent. Most mayors were interested in expanding secondary schooling for a fraction of its cost and hence became involved and helped promote it.

And last, and certainly very important, was the opposition of the very strong teachers' union (FECODE), which was successful in halting Colombia's educational reform (Montenegro 1995). The union was opposed to any form of privatization of education. This ruled out, for example, an unlimited voucher program. Hence, the complete program for secondary education was presented as one which sought to increase both private and public secondary enrollment. The word privatization was never used.

Starting the Program

The program was officially launched in the ten largest Colombian cities in October and November of 1991, and approximately 18,000 vouchers were allocated. The three pillars of the program, were the Ministry of Education, which coordinated it, the central and regional offices of ICETEX, which administrated it, and the banking institution Banco Central Hipotecario (BCH), which made the payments.

The vouchers had to capture the attention of both parents and private school principals or administrators. Therefore, the main characteristics of the program were made public during visits by the Minister and the Vice-Minister of Education to each of the program cities, and were advertised in the local newspapers and radio stations. As expected, private schools with enrollment slack and religious schools which, after all, had been providing a substantial part of private education with no help from the State, accepted the challenge.

The Parents

Low-income households, with children who were finishing elementary school at a public institution, were encouraged to join the program. Those interested had to fill out the vouchers included in newspaper advertisements, or could obtain free application forms at any of the regional ICETEX offices. They were also allowed to photocopy such forms.

Parents could document their low income by showing any utility bill (water, electricity, or telephone), which includes the household stratification. Only families in the lowest two strata, of a total of six, were eligible for vouchers. Families also had to show proof that their children had finished primary education at a public school. This was a crucial requirement, because the authorities wanted to exclude from the program high- and middle-income children who study mostly in private schools. These restrictions have allowed the program to target lower-income households accurately (Hanushek, 1994).³

If in a specific city, the demand for vouchers turned out to be greater than the assigned quota, a public raffle was used to select the final beneficiaries. The list of selected students was published at a local newspaper and was displayed at the regional offices of ICETEX.

The selected students were given a fixed-value voucher, which they could use in any private school which accepted them. That is, they could decide between attending "free" public schools, if they were admitted, or use the voucher to pay a private school. If the tuition was greater than the voucher, parents were to pay the difference. Furthermore, as long as the student maintained a minimum grade average, they would receive these subsidies through out their high-school years.

Finally, the value of the voucher was determined according to the average tuition of a lower-to-middle income level private school in one of the largest three Colombian cities (Bogotá, Medellín, and Cali). Thus, it was expected that the voucher would have a higher relative value in the other regions of Colombia, where tuition was usually lower.

³This restriction is similar to the one which exists in the Milwaukee Voucher Program, where only families with incomes below 1.75 the national poverty line are eligible for the choice program.

The Private Schools

For the private schools, the most important element of the program, apart from increasing enrollment, was how they were going to receive payment. It was anticipated that principals would reject students with vouchers if the cashing procedures turned out to be more complicated than other payment methods.

Hence, it was clear that the program would fail if the vouchers had to be cashed in the regional office of ICETEX or any other public institution. First, the private sector widely perceives that the Colombian public sector (and I would believe in many other countries as well) seldom pays its debts on time. Second, principals (or other school administrators) would not only have to make the long trip to a government office, but also be subject to the usual bureaucratic procedures and, perhaps, even to political pressures.

The Ministry decided that, while the administrative part of the program would be managed by ICETEX, the actual payment of the voucher would be done by the banking sector. An agreement was signed between the Ministry of Education and the Banco Central Hipotecario (BCH). School principals were instructed to open an account, free of charge, at any of the 120 BCH branches. Every three months, upon presentation by the school of the grades of the voucher beneficiaries, the school's account would be credited in the appropriate amount.

First Years

During 1992 the number of students increased to 49,573 and the number of municipalities involved reached 78.⁴ By then, the program was relatively well known and had an acceptable reputation. Also, some new private schools had been established which depended, almost exclusively, on the cash flow of subsidies for their operations. As we will see, this is also the origin of one of the main problems of the program.

⁴The program's statistics were provided by ICETEX.

By 1995, the number of vouchers had increased to 88,672. That is, the program accounted for somewhat more than 10 percent of the total increase in secondary students in Colombia during the previous four years (Banco de Fuentes Primarias - DNP).

On the other hand, the cost of this particular expansion in secondary enrollment has been substantially lower than that provided by public schooling. The average cost per secondary student in the public sector in 1995 was \$352,000 (Departamento Nacional de Planeación, 1994), which was 140 percent more than the cost of a voucher student (\$145,000) for the same year.

Furthermore, the municipalities involved expanded to 212 and the number of schools which have voucher students are currently 1,765; that is, an average of 50 subsidized students per school. Also, the percentage of scholarships renewed was 77 percent. This is consistent with the national high school promotion average of 70 percent.⁵

By 1996, the number of students in the program will reach approximately 100,000. Almost 20,000 of these students will begin their fourth year with the program--they will enter 10th grade. Of these subsidies, 5,500 will be financed by a World Bank loan.

In sum, from a quantitative point of view, the program has been a success. But the program has faced important obstacles and can be substantially improved. In the next chapter we will center our remarks on these issues.

Problems of the Program: Some are Real, Some are Not

Hanushek (1994) tells us that "even a half-dozen years after the program was instituted, discussion of the pros and cons of these innovative reforms still rests on the conceptual arguments offered when they were adopted--not on evidence of whether student performance has improved." Something similar seems to be happening with the voucher program in Colombia. The main criticisms raised come more from the intuition, or pre-conception, of

⁵This includes both public and private secondary schools for 1991.

some analysts than from serious analysis of the voucher mechanism. Nevertheless, there are some real problems that need to be solved, and questions on the quality of education that need to be answered.

This section reviews in some detail the main problems--real and not. The analysis is mostly based on statistics and information provided by the main office of ICETEX and the regional directors of the voucher program.

The Substitution Effect

One of the two main criticisms of the vouchers made by the report Poverty in Colombia (World Bank, 1994) is that there is a substitution effect. The report quotes a study by Molina, Alviar and Polanía (1993), which in turn quotes a document by Fernando Rojas (1993). Rojas concludes that the "greatest technical deficiency of the program consists of the lack of mechanisms to avoid a substitution of public education for private education." There is another conclusion reached in this paper.

The authorities considered that substitution would be a problem if the program subsidized high- or even middle-income students, who in the absence of the vouchers would in any case pay for a private secondary education. Hence, the program was restricted to low-income students, which came from public schools; and by all accounts, this restriction has been fully implemented.

More than 95 percent of the students who finish public primary school either go into a public secondary school or are left out of the education system. In none of these cases does the voucher program cause a substitution effect. In the latter case, it is straightforward to see that the program benefits low-income students who do not find a place in a public school (more often than not this implies that they did not receive the adequate recommendation from the local politician) and whom would have been forced to discontinue their education for lack of resources. In the former case, as long as no slack develops in public secondary schools⁶--

⁶The latest study on the subject confirms this point. See Sánchez and Núñez (1995).

the evidence is quite to the contrary--it is difficult to speak of a substitution effect. In this sense, the following assertion can be made: Even if a voucher student had a place in the public school, enrollment increases if another student takes his place at the public school, or, at the aggregate level, as long as no excess supply of secondary schools develops.

Less than 5 percent of students who finish public primary school go on to private schools. That is, of those eligible for vouchers, only a minority can generate a substitution effect. And the authorities did not find this to be a problem for the following reasons: (i) the idea was also to benefit those low-income parents who wanted to improve the quality of education of their children, and (ii) there was the issue of equity. While the average low-income family spends 9 percent of its income on the secondary education of their children, a high-income household spends only 1.7 percent, and a middle-income household 3 percent (Molina, Alviar and Polanía, 1993). As long as the subsidies were received by the poorest students, equity would improve.

In the long run, greater demand for private schools would break the monopoly of public education for low-income households, raise the participation of the private sector in secondary schooling and, therefore, increase the efficiency of the educational system.

In sum, the evidence supports the notion that substitution has not been a problem. The author interviewed the regional directors of the program in Bogotá, Antioquia, Risaralda, Norte de Santander, Nariño, and Cesar. All of them pointed out that the program has indeed focused on low, and very low, income households and that the recipients have come from public elementary schools. And finally, the relatively small size of the program and the still low secondary enrollment rate, 56 percent in 1994, implies that Colombia is far from having an excess supply of public secondary schools.

The Quality of Subsidized Private Education

The second problem found by the report Poverty in Colombia is that "most voucher recipients--particularly the poorest--attend schools with low standards."⁷ Again the study quotes Molina, Alviar and Polanía (1993), which quote Rojas (1993), which in turn says: "There exists **occasional** observations which indicate that the students who benefit from the vouchers are generally those of lesser academic achievement, who leave or lose their space in the public school and, thanks to the scholarships, gain access to the less demanding private schools." On the other hand, this section attempts to show that the available evidence points in the other direction: the great majority of voucher recipients attend private schools which have a better--or at least similar--quality of education than the average public school.

It is necessary to point out that there has not been an even close to serious attempt to evaluate the quality of the voucher program. This section relies on the opinions and internal documents of a broad range of regional directors of the program, and on the results of the program SABER which evaluated the quality of education in Colombia.

The regional directors divide the schools in traditional and new private schools. The first are those which existed before the program and where voucher students are a minority of the total number of students. The second ones are those created for, and attended mostly by, voucher students. On average, the first group has an 80 percent share of the program and the new schools have the remaining 20 percent of subsidized students. This statistic is consistent with the national average of 50 voucher students per school which was mentioned earlier.

There is unanimous consensus that there has not been a "quality" problem in the traditional schools. The regional directors' perception comes both from their visits to the schools and from the fact that they do not receive complaints from parents on this issue--as opposed to the new schools. Furthermore, the results of the program SABER seem to validate

⁷There is a theoretical inconsistency in arguing that the two most critical problems of the program are a widespread substitution and that a majority of students receive a deficient education. Let us assume that there is total substitution--all low-income parents would, without the vouchers, pursue private education for their children. This implies that, with the subsidy, they have access to a better quality of education--versus no voucher. What is definitely not true is that the quality of education would diminish as a consequence of the program. Hence, the vouchers cannot be characterized both by widespread substitution and by decreasing the quality of education for a majority of students.

this perception. As was mentioned before, the average private school offers a better quality of education than the average public school.

It is not surprising that when there are both subsidized students and those who pay full tuition, paying parents demand quality of education. This is most probably the reason why the Milwaukee voucher program prescribes that no more than half the students in a school can be "choice" students (Hanushek, 1994). In any case, the point is that approximately 80 percent of the subsidized students in Colombia are receiving an average, private-school type of education.

The quality problems have surfaced in some of the so-called new private schools. These are institutions which rely mainly on subsidized students for their income. During the first stages of the program, lack of control led to the creation of some very deficient schools. And generally, the parents who enrolled their children in such schools had no other option.

To gain a better sense of these issues, it is interesting to see some particular cases.

Antioquia is a relatively high-income state, with characteristically efficient civil servants. It is not surprising to find that it is there where the program seems to be working best. Of 129 private schools with voucher children, 128 offer an acceptable quality of education. One school has had substantial problems, although they stem mostly from the fact that the students come from one of the most violent neighborhoods of Medellín. Antioquia had "bad" schools, but the State closed them all and relocated the children to other schools. The State closely supervises, in a joint effort with the State's Secretary of Education, the quality of new schools. The program is so popular that the state of Antioquia created its own version "Salto Educativo", although they are careful to avoid double subsidies. Finally, parents overwhelmingly support the program, and argue that their children are receiving a better education and are not subject to the frequent strikes of the public schools.

Fifteen percent of Bogotá's 12,000 voucher students are in the so-called new schools. Most of these have problems and some of them have had to be shut down. But the collaboration of the Department of Education has been inadequate. Parents who send their children to the new schools usually have no other option--they do not have access to public schools nor the means to pay for any extra tuition in private schools. On the other hand, the

85 percent who attend traditional schools seem to be satisfied with their children in private schools. The only complaint is the Government's delay in paying the subsidy, which we will analyze later.

Risaralda has the largest new school in the country--The John Dewey School with 1,000 students. It depends entirely on the subsidies and has barely managed to stay afloat because of the usual delays in receiving voucher payments. Its most ardent critic is the Public Teachers' Union. Nevertheless, it will open 10th grade in 1996 and the school is today somewhat more consolidated. Again, children who attend this school do not have other options. The other 65 percent of the voucher students who attend traditional schools seem to be doing well. Finally, the program is popular and, as in other regions, has great demand.

Nariño is one of the poorest regions of the country. There is an acute lack of secondary public schooling. The program has a high demand and 75 percent of the subsidized students attend traditional schools. Seven new schools have been created, mostly for the poorest children of the region. The regional director believes that most of the private schools which participate in the program are of a similar, or slightly less, quality than the public schools.

In another geographical region of Colombia, the also relatively poor coastal area, we find the states of Cesar and Guajira. Here the program is widely popular. For example, local councilmen issued a decree which asserts that they "had never seen in Colombia a program so transparent and beneficial." On the other hand, the regional director, who has the reputation of being an efficient administrator, has not allowed "pirate" schools to emerge. The major problem she has had with the 2,500 voucher students is that many come ill-prepared from the public elementary schools.

In sum, the cases analyzed indicate that a vast majority of the students in voucher schools receive at least a similar quality of education as those in public secondary schools. Furthermore, two factors influence the quality of the program: if the school is traditional or new, and the competence of the regional director.

One possible solution to the deficient quality of the new schools is to limit the percentage of students who receive vouchers in each school. However, this would restrict the growth of the program. Hence, a better solution would be to monitor closely those schools which, for example, have more than 60 percent of their student population under the voucher

program. That is, while the traditional schools have shown that the best control is carried out by those parents who pay full tuition, it seems clear that those schools which rely on the vouchers for their existence should be subject to additional controls.

Payment Delays

All the regional directors agree that the inability to pay the subsidies on time has been the most pressing problem of the voucher program. In turn, this has implied that the real subsidy has been lower than its nominal value.

The program started relatively well in 1992. In 1993, general delays of almost six months occurred in almost all of the municipalities, mainly as a consequence of questions about the Constitutionality of the program. In 1994 the Education Ministry Fund, which transferred the voucher funds to the BCH, was replaced by the Social Investment Fund. The new institution decided to evaluate the distribution mechanism of the subsidies; hence, private schools again received their payments with a six-month delay. Then in 1995, the Supreme Court of Justice decided that the Colombian Constitution prohibited the financing of scholarships. The word "scholarship" was eventually substituted in the budget law with the word "subsidy", and all schools had to sign agreements with the municipalities. All difficulties seemed to have been eased, but the schools received their first voucher payments in August 1995.

Schools have realized that, eventually, they will receive payment. But the delays have generated a substantial loss of credibility in the program. These disincentives, unless corrected, will eventually work against the long-run objective of improving the quality of education.

ICETEX expects that voucher payments will be made on time in 1996 and is working on reducing the administrative paperwork as well. These changes would be welcome by all regional directors and school principals, and one would think that all the legal and administrative obstacles are behind.

Lessons for the Future and Recommendations

Colombia had a fertile ground for a voucher program with 40 percent of its secondary schools in the hands of the private sector. Four years have passed since its creation and today Colombia has 100,000 subsidized children attending private secondary schools. Some lessons can be derived for the future of the program and for other countries who decide to follow this road.

- (i) The program was relatively easy and quick to implement most likely because the objective was not to privatize existing public education, but to expand private secondary schooling for low-income families; the program was designed in a technical, non-political, and relatively simple way; payments were initially on time and have been made by a banking institution (as opposed to a government office).
- (ii) The following three points underscore the success of the voucher program:
 - Private schools which existed before the program accommodate approximately 80 percent of the total number of subsidized students.
 - The average cost per secondary student in the public sector in 1995 was 140 percent more than the value of the voucher for the same year.
 - The evaluations made by the Ministry of Education indicate that the quality of education in these traditional schools is better, or at least similar, to the one that prevails in public schools.
- (iii) The inferior quality of some of the new schools is related to the level of efficiency of the local directors. For example, Antioquia enforced minimum standards of quality on all the schools which participated in the program. On the other hand, other regions have had serious problems with "pirate" schools

- (iv) One solution would be to impose additional controls on schools which, for example, have more than 60 percent of their students with the voucher program. While the traditional schools have shown that the best control is carried out by those parents who pay full tuition, it seems clear that those schools which rely on the vouchers for their existence should be subject to closer monitoring. Furthermore, these new schools could also be helped by offering to them, the already existing, credit lines and subsidies of Financiera de Desarrollo Territorial (FINDETER)--second-tier government financial institution, for the construction and expansion of private secondary schools.
- (v) The credibility of the voucher program has suffered because of delays in payments. Possibly the only good point that can be said on this issue is that once the different budget problems were solved, payments by the financial institution were made efficiently and in a transparent manner.
- (vi) The importance and size of the program merits a specific evaluation. This study should focus on the quality of education received by the low-income students at the public and voucher schools. It should also analyze the important regional differences which have arisen, such as the concentration of deficient new schools in some municipalities. Studying the success of regional offices like the one in Antioquia would also be helpful. Finally, quality reviews would have to be carried out on a regular basis to determine if the long-run objective of improving the quality of education is also being met.
- (vii) The program has successfully targeted low-income students. This, together with the facts that enrollment rate is still relatively low and that there is no excess supply of public school, implies that substitution is not a problem.
- (viii) These recommendations call for some adjustments of the voucher program. But they also leave no doubt that in the near future the program should be expanded

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