Chapter 1

Education in Costa Rica: An engine for development

Education has traditionally been an engine for Costa Rica's development. It has been crucial in building one of the most stable democracies, most skills-based labour markets, and establishing the highest levels of well-being in Latin America. Education outcomes have stagnated in the last decade, and together with widening inequality and slow growth, this risks stalling the country's future inclusive growth. This chapter provides an overview of how the education system in Costa Rica is organised and analyses the major trends in access, quality and equity. The final section examines the current governance and financing arrangements, and how they can be harnessed to steer the system to higher levels of performance.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

The context

Costa Rica is recognised across Latin America for its leadership in education. The country was amongst the first in the region to achieve universal primary school enrolment and ensure all young people and adults have basic literacy skills. This early progress provided the foundations for the country's strong social and economic development over the last century. Costa Rica is one of the oldest and most stable democracies in Latin America and as an upper middle income economy it now has more skilled jobs and lower levels of informal employment than many of its neighbours, with among the lowest poverty rates, longest life expectancy and highest levels of well-being in the region (OECD, 2016a).

The system that drove this progress now needs to evolve to respond to rising expectations, emerging challenges and changing demands for skills. Economic growth has recently slowed, inequality is widening, and productivity is weak within a labour market that shows a worrying degree of duality between a high-skilled sector and a large informal economy (OECD, 2016a). The National Development Plan Alberto Cañas Escalante 2015-2018 (*Plan Nacional de Desarrollo Alberto Cañas Escalante 2015-2018*, PND) rightly sees education as a key means to turn around these negative trends and boost the quality of growth and employment (MIDEPLAN, 2015; Annex A1.1).

This review looks at how this can be done, arguing that if education is to continue to play a catalytic role in national development then there will need to be a significant change in how policies are designed, funded and delivered. Despite rising investment in education, too many young Costa Rican's leave school with inadequate preparation for work and further learning, and the attainment gap between children from poor and wealthy backgrounds remains stubbornly high. The education sector in Costa Rica needs to become more sharply focused on outcomes, and adopt a much more strategic approach to funding, planning and evaluation, if public spending is to deliver better returns for the country. Subsequent chapters of this report scrutinise each level of the education sector, focusing on how policies and practices can be improved to support better outcomes, drawing on the experience of OECD countries and fast reforming countries in Latin America (see Box 1.1). This chapter introduces the main features and trends in Costa Rican education, and examines the overarching challenges of governance and funding that will be central to the success of future reforms.

Box 1.1. Costa Rica's Accession Education Review

On 9 April 2015, the OECD Council invited Costa Rica to open formal accession discussions. On 8 July 2015, the OECD Council adopted the Roadmap for the accession of Costa Rica to the OECD Convention [C(2015)93/FINAL] setting out the terms, conditions and process. Under this Roadmap, Costa Rica is required to undergo in-depth technical reviews in all relevant areas of the Organisation's work, including education and skills. This report is provided as input to this process. It evaluates national policies and practices in Costa Rica in education and skills, compared to OECD member countries and other reference countries in the Latin American region. It does so according to five core principles that are essential to effective education systems: a strong focus on improving learning outcomes; equity in educational opportunity; the ability to collect and use data to inform policy; the effective use of funding to steer reform; and the extent of multistakeholder engagement in policy design and implementation. Based on these tough benchmarks, the review both underlines the many strengths of Costa Rica's education system and provides recommendations on how to improve policies and practices so that the country can advance towards OECD standards of education attainment and outcomes.

Main features and trends

The last decade has witnessed a rapid expansion of enrolment in Costa Rica, but much less progress in learning outcomes, with many students failing to acquire basic skills and most not completing compulsory education on time. Educational inequities remain large, with children from poor families and rural areas far less likely than children from more advantaged backgrounds to start school ready to learn and benefit from quality teaching. This contributes to a cycle of progressive disengagement and dropout which means that education, and subsequently labour market outcomes, are much weaker for those from disadvantaged backgrounds. This section will examine these developments, looking successively at issues of access, learning outcomes and equity.

Access

Costa Rica's constitution requires public education spending to represent 8% of the gross domestic product (GDP) and states that education should be compulsory and free-of-charge from preschool to the end of upper secondary school (ages 4-18) (Table 1.1).

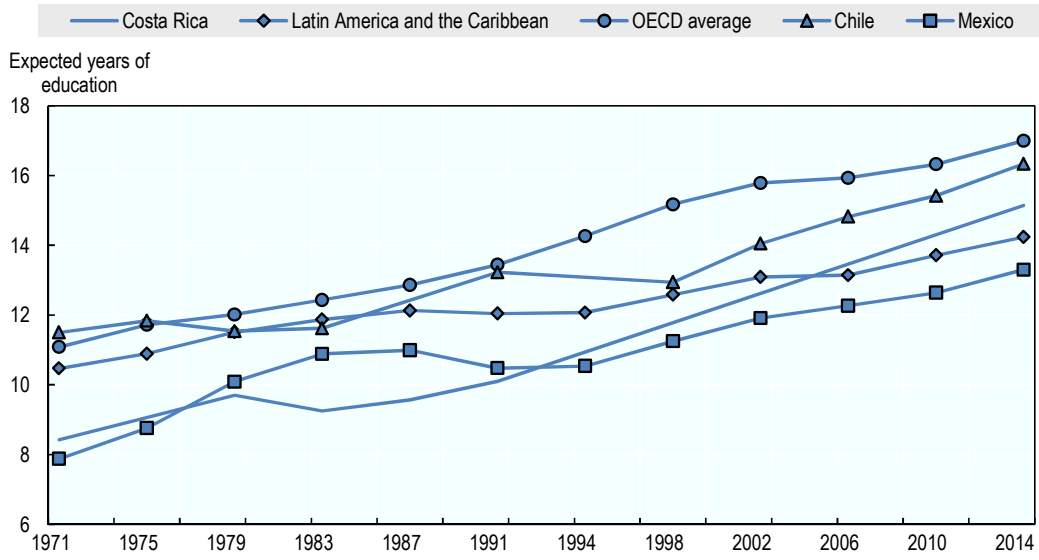
Table 1.1. Costa Rica's education system

Educational levels and cycles	Early childhood education and care (ECEC)							General basic education									Diversified education (Upper secondary education)			Tertiary education
	Maternal Infant cycle					Preschool		Primary (cycle I)			Primary (cycle II)			Lower secondary education						
		Nursery/ Maternal II			Interactive cycle I	Interactive cycle II	Transition													
Age	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	17+
Grades								1	2	3	4	5	6	7	8	9	10	11		
Modalities and programmes																	Academic			
																	10	11	12	
																	Technical			

Source: Adapted from MEP (2016a), "Country Background Report: Costa Rican Education", Ministerio de Educación Pública.

Between 2004 and 2014, average education life expectancy increased by three years in Costa Rica, compared to 1.1 and 1.2 years respectively in OECD and Latin American countries (Figure 1.1). For the young, longer study time has translated into higher levels of qualification. Almost half of young adults (47% of 25-34 year-olds) attained at least an upper secondary education in 2014, up from one-third among their parents' generation (35% of 55-64 year-olds) (OECD, 2016b). While enrolment has increased at all levels, progress has been fastest where participation was initially low, with gross enrolment rates doubling in upper secondary and increasing 9-fold in the first year of preschool (Interactive II, *Interactivo II*) since 2000 (Figure 1.2).

Figure 1.1. Trends in education life expectancy (1971–2014)



Source: UNESCO-UIS (2016), "Browse by theme: Education", Data Centre, UNESCO Institute for Statistics, www.uis.unesco.org\\DataCentre\\Pages\\BrowseEducation.aspx.

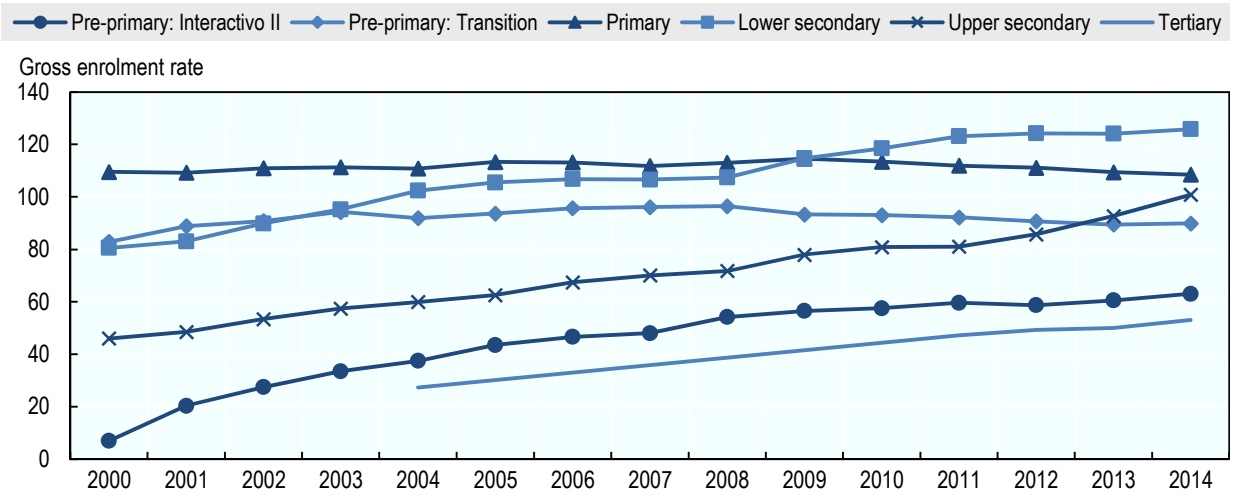
Progress in the expansion of early childhood education and care (ECEC) has been mixed

ECEC includes two cycles in Costa Rica. The maternal infant cycle (*materno infantil*) offers health and basic care for those aged 0 to 4, with services provided by multiple agencies, including the Ministry of Health (*Ministerio de Salud,* MINSA), the Joint Social Aid Institute (*Instituto Mixto de Ayuda Social,* IMAS), and the National Child Welfare Agency (*Patronato Nacional de la Infancia,* PANI). The Ministry of Public Education (*Ministerio de Educación Pública,* MEP) is responsible for the preschool cycle (*pre-escolar*), which lasts two years and starts at the age of 4 years and 3 months. In 2014 the joint National Network for Childcare and Development (*Red Nacional de Cuido y Desarrollo Infantil,* REDCUDI) was created to improve coherence and co-ordination across providers and cycles.

The preschool cycle has seen an important expansion in recent years. Gross enrolment in the first year (Interactive II) soared from 7% in 2000 to 63% in 2015 (PEN, 2015), though remains much lower than the OECD average of 95% (OECD, 2016b). Participation in the second year of preschool also increased from 83% to 90% over the same period. Policies that enabled this dramatic expansion include the creation of close to 3 000 new classes and scholarships to cover the additional costs of attendance (e.g. transport, learning materials, uniform) for disadvantaged families.

This remarkable growth contrasts with more muted progress in the maternal infant cycle for those under 4 years of age. In 2014, only 7.8% of 2-year-olds and 15% of 3-year-olds benefitted from some form of care or education services (OECD, 2016b), which is far below the levels observed in OECD countries where on average over 70% of children aged 3 benefit from ECEC services and in some countries universal preschool begins (OECD, 2016b). The past decade has witnessed little progress in improving participation with only 1 300 additional children aged 1-4 entering ECEC centres between 2003 and 2013 (MEP, 2016a).

Figure 1.2. Gross enrolment rates by level of education in Costa Rica (2000-2014)



Sources: PEN (2015), *Quinto Informe Estado de la Educación 2015 (Fifth Report State of Education 2015)*, CONARE, Programa Estado de la Nación; PEN (2013), *Cuarto Informe Estado de la Educación 2013 (Fourth Report State of Education 2013)*, CONARE, Programa Estado de la Nación; UNESCO-UIS (2016), "Browse by theme: Education", Data Centre, UNESCO Institute for Statistics, www.uis.unesco.org/DataCentre/Pages/BrowseEducation.aspx.

Costa Rica has achieved universal primary education enrolment

Costa Rica, like most OECD countries, had already met the benchmark of "full" primary school enrolment (defined as 90%) in the early 1970s. Several factors explain this achievement, in particular Costa Rica's strong push in the 1950s to universalise attendance by bringing education services close to communities. The government also provides financial incentives for disadvantaged families to enrol their children in schools as well as free school meals (MEP, 2016a). Secondary participation has expanded steadily, but disengagement leads to low completion rates.

Between 1999 and 2014, gross enrolment rates (reflecting all students, regardless of age) increased from 79% to 133% in lower secondary and 43% to 102% in upper secondary. However, net enrolment rates (reflecting just students of the appropriate age) are markedly lower. In 2014, they stood at 71% in lower secondary and 41% in upper secondary, compared to 91% on average across OECD countries for overall secondary participation (OECD, 2014a). The large differences between gross and net enrolment indicate that many Costa Rican students repeat a year and drop in and out of the system.

Upper secondary education offers academic and vocational tracks, with a small minority of students attending artistic schools. Most students enrol in academic schools (59%), though the share of those opting for the vocational track increased from 18% to 26% between 2005 and 2014 (PEN, 2015), following efforts by the MEP to expand vocational provision to cater for a more heterogeneous population and meet labour market needs for technical skills. A range of non-formal programmes account for the remainder of the upper secondary school cohort, providing second chance and more flexible opportunities for young adults who dropped out of school to complete their education. Participation in such programmes has almost doubled in the past decade, from 7.5% in 2005 to 14% of total enrolment by 2014 (PEN, 2015).

Outside of the formal education system, the National Training Institute (*Instituto Nacional de Aprendizaje*, INA) provides short vocational education and training (VET) courses. Enrolment has increased by 44% since 2005 to 282 860 in 2014, and demand far exceeds the supply of places. INA programmes serve as an alternative path to the labour market for students who have dropped out of secondary education but a lack of co-ordination with the MEP makes it difficult for students to re-enter the formal school system (see Chapter 4).

Enrolment in tertiary education has boomed over the last 15 years.

Participation in the first cycle of university (ISCED 6, or the equivalent of bachelor's level) has doubled since the turn of the century, from 101 000 students in 2000 to 200 000 in 2014 (PEN, 2015). Gross enrolment in tertiary was 53% in 2014, above Brazil and Mexico but below the average of OECD countries (71%) (UNESCO-UIS, 2016; OECD, 2014a). The growth in enrolment in private universities explains much of this expansion. The number of students in the private sector has increased by 167% since 2000 and today accounts for 51% of total enrolment. Private universities accounted for more than two thirds (69%) of all tertiary diplomas granted in 2013, reflecting both the size of the sector and lower dropout rates than in the public universities. It is therefore a major concern that this sector has weaker standards of quality assurance (PEN, 2015). Most students are enrolled in social science programmes (education, economics, social sciences) and the minority that study basic science and engineering attend, overwhelmingly, public universities (PEN, 2015). Costa Rica stands out for having very few short cycle post-secondary programmes of one to two years in length (ISCED 4 and 5) that are more occupationally-specific and prepare students for labour market entry.

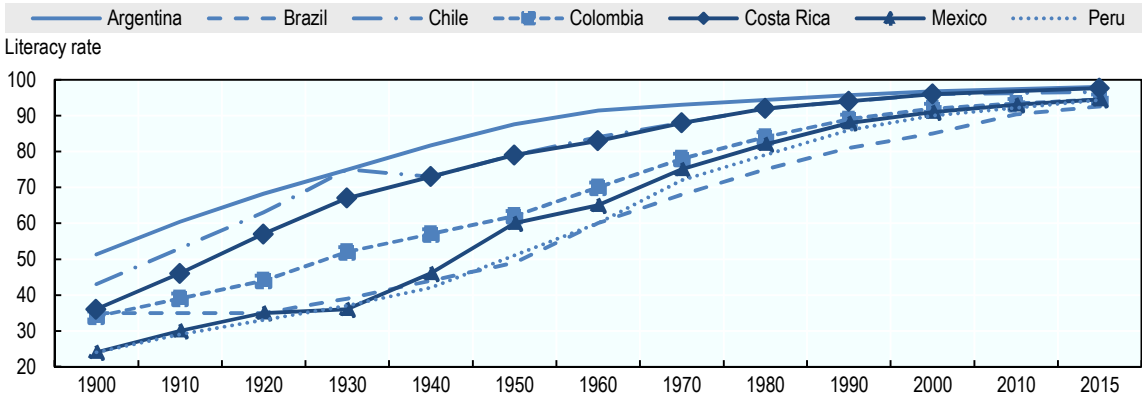
Learning outcomes

Basic literacy is almost universal

Costa Rica's early success in expanding access to primary education has contributed to high rates of basic literacy. Some 98% of young people and adults in Costa Rica are reported to have basic literacy skills, defined nationally as the self-declared ability to read and write. This is on a par with Chile (97%), and above Mexico (95%), Colombia (95%) and Brazil (93%) (UNESCO-UIS, 2016). The progress of the country in ending illiteracy since 1869, when primary education became compulsory and tuition free, has been extraordinary and at a faster pace than other Latin American countries (see Figure 1.3).

Costa Rica does not participate in international assessments such as the OECD Adults Skills Survey that provide a direct, more in-depth assessment of the level of adult proficiency in literacy and other essential skills. Data on the learning outcomes of children in school indicate that a large percentage of the population begin adult life with weak cognitive skills and are likely to struggle with tasks that go beyond simple reading and numeracy (see below). This has implications not only for their own future learning and capacity to engage in society and the labour market, but also their ability to support their child's education. In Costa Rica, the low level of parental education is one of the factors most closely associated with low student outcomes in terms of participation and learning. The probability that a student whose parents did not finish primary school will complete upper secondary is 16%, compared to 87% for students whose parents attained a tertiary level of education (PEN, 2015).

Figure 1.3. Literacy rates in Costa Rica and Latin American countries (1900-2015)

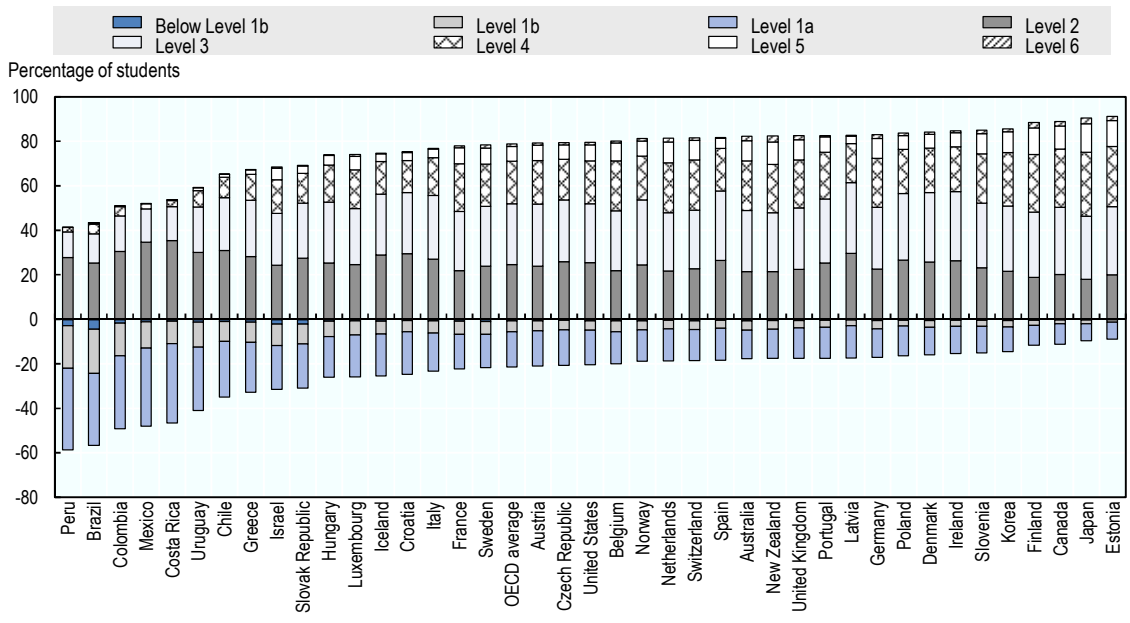


Note: Literacy rate for 1990-2000 refers to percentage of adult population and the rate for 2001-2015 to 15+ year-olds.

Sources: UNESCO-UIS (2016), "Browse by theme: Education", Data Centre, UNESCO Institute for Statistics, www.uis.unesco.org/DataCentre/Pages/BrowseEducation.aspx; Roser, M. and E. Ortiz-Ospina (2016), "Literacy", *OurWorldInData.org,* https://ourworldindata.org/literacy/ (accessed 14 February 2016).

In the 2015 survey of the OECD Programme of International Student Assessment (PISA), Costa Rica's 15-year-olds performed at the equivalent of around two years below their OECD peers with an average score of 420 in science compared to 493 in OECD countries (OECD, 2016c). Among Latin American participants, Costa Rica's performance was below Chile, similar to Colombia and Mexico, and above Brazil and Peru. Costa Rica has one of the highest proportions of students failing to reach proficiency level 2 in science, mathematics and reading (33%) – the baseline level of skills required for productive participation in society - which compares to 13% in OECD countries (OECD, 2016c). Very few Costa Rican students (0.9%) perform at the top levels in comparison with OECD countries (15% on average) (Figure 1.4).

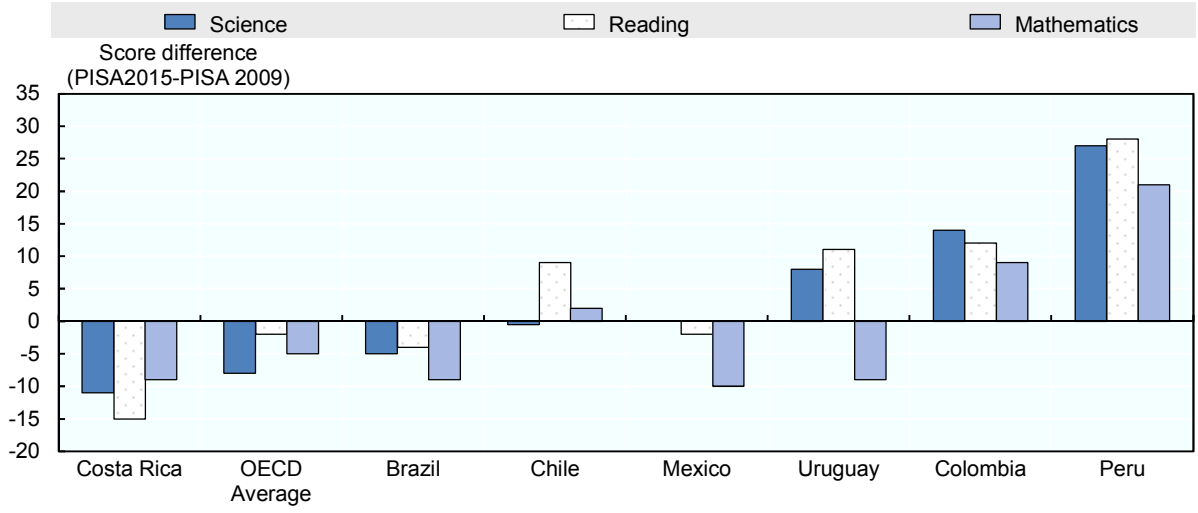
Figure 1.4. Science performance levels in PISA 2015 in OECD and Latin American countries (2015)



Source: OECD (2016c), *PISA 2015 Results (Volume I): Excellence and Equity in Education*, http://dx.doi.org/10.1787/9789264266490-en.

PISA only measures the performance of those 15-year-olds who are still in school, and the absence of progress since 2009 masks the fact that a gradually increasing proportion of the entire cohort has been covered by the survey in Costa Rica, including more students from disadvantaged backgrounds (Figure 1.5). However, other rapidly developing countries in the Latin American region and elsewhere, such as Peru, have succeeded in simultaneously enrolling more children and improving average learning outcomes.

Figure 1.5. Trends in performance in PISA (2009-2015)



Note: Costa Rica administered the PISA 2009 assessment in 2010. The differences are only statistically significant in three areas of assessment for Peru; in science, for Costa Rica and Colombia; in reading for Costa Rica and Uruguay; and, in mathematics for Mexico. Additionally, changes were made to the test design, administration, and scaling of PISA 2015. These changes add statistical uncertainty to trend comparisons that should be taken into account when comparing 2015 results to those from prior years. Please see the "Readers' Guide" and Annex A5 of the PISA 2015 Initial Report (Volume I) (OECD, 2016b) for a detailed discussion of these changes.

Source: OECD (2016c), *PISA 2015 Results (Volume I): Excellence and Equity in Education*, PISA, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264266490-en.

National evaluations of student learning also show weak learning achievement, and gaps in the basic skills of some students from the early years, representing a major obstacle to subsequent progress. More than 40% of students perform at the lowest level in the national assessment at the end of primary education, meaning that they struggle to master basic knowledge and skills. UNESCO's Third Regional Comparative and Explanatory Study (*Tercer Estudio Regional Comparativo y Explicativo,* TERCE) consistently shows that many third and sixth grade students lack foundation skills. While Costa Rica students perform above the average of fifteen Latin American participating countries, as in PISA, the gap between Costa Rica's performance and that of the top performing country has been widening in the last ten years (UNESCO, 2015). Weak learning foundations hinder progress in secondary education: by the end of lower secondary education, of those students who are still in school, more than 20% still struggle to demonstrate basic knowledge and skills (MEP, 2013). Nearly one third (32%) of those who do make it to the end of upper secondary education do not pass the *Bachillerato* examination, the key requirement both for work and further education (PEN, 2015).

A new curriculum from preschool to upper secondary education has been introduced as part of efforts to improve student achievement. It aims to enhance what students learn, and

how they learn in the classroom by emphasizing the development of key 21st century skills and attitudes, and promoting a more student-centred teaching approach.

High returns to qualifications are a mixed message

The returns to education are high. Some 84% of 25-34 year-olds with a tertiary degree are employed, slightly above the OECD average (82%) (OECD, 2016b), and Costa Rica has one of the largest salary premiums in Latin America, with highly-skilled workers earning three times more than those with low-skills (OECD, 2016a). Yet recent employer surveys reveal not only a growing demand for highly-qualified workers in specialised areas (e.g. advanced electronics and software development) but also an un-met need for mid-level technical graduates (MEP, 2016a; UCCAEP, 2016). More than half (53%) of Costa Rica's 24-35 year-olds have no secondary education qualification, compared to the OECD average of 17% (OECD, 2015b). They face much greater difficulties in the job market, with those who have not completed secondary education accounting for seven out of ten of the unemployed in Costa Rica (OECD, 2016a). High returns from education are an indicator of the value of education, but they can also point to bottlenecks and high dropout rates limiting the size of the available talent pool that pursue higher level qualifications and skills.

Poor preparation and limited support for teachers hinders learning outcomes

Teachers represent 8% of the formal labour force, with around 72 000 teachers employed in the compulsory school sector (MEP, 2016a). Teaching salaries have almost doubled in recent years, and are now similar to other professions. Costa Rica has taken steps to raise teachers' qualifications and virtually all MEP teachers now hold a university-level degree (95%). However, there are concerns regarding the quality of initial teacher education, particularly in private universities which account for almost two-thirds of graduates (72% in 2013). Just 7% of private teaching programmes have been accredited, although new draft legislation intends to make this mandatory. Entry to the profession is determined by a public contest which ensures transparent selection, but is not well-designed to assess candidates' potential to become good teachers. Teachers have few opportunities to develop their knowledge and skills once appointed and most in-service training is weakly linked to classroom needs and practice. Many teachers need more support: a test of mathematics teachers' knowledge revealed that 29% did not master the content of the curriculum that they were expected to teach (PEN, 2015). Costa Rica lacks nationwide professional standards for teachers which could provide a common understanding of what constitutes good teaching.

Equity

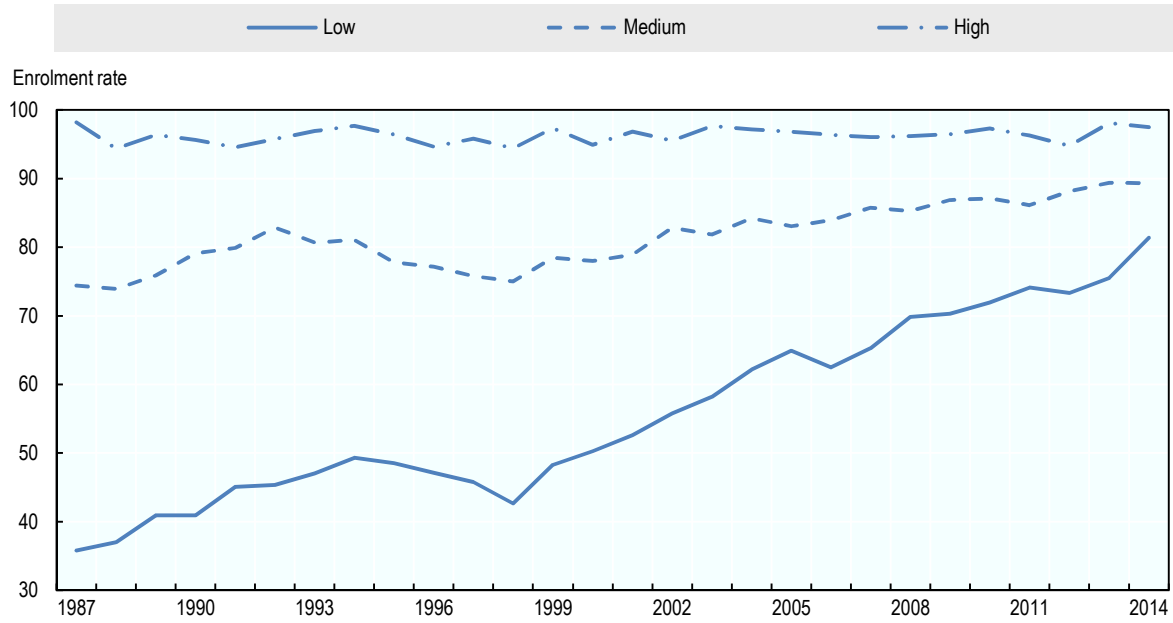
Inequality and poverty are growing challenges for Costa Rica. The poverty rate (22%) is twice the OECD average (11%), and extreme poverty has increased from 5.8% in 2010 to 7.2% in 2015 (OECD, 2016a). National research has shown that greater equity in education could help to reverse this trend: an additional year of schooling reduces the prevalence of poverty by, on average, 5% for households with an average of 12 years of schooling (PEN, 2015).

Inequities remain large

In *absolute* terms, children from disadvantaged backgrounds are more likely than ever to receive a full school education. The proportion of children aged 12-17 from low-educated

households that go to school has doubled over the past 30 years to reach 80% in 2014 (PEN, 2015) (Figure 1.6). At tertiary level, two out of every three (66%) graduates in 2010 were from families in which the parents did not themselves have a tertiary diploma (PEN, 2015). While young people from all social backgrounds have improved their prospects, the *relative* gaps in life-chances between different social groups remain large: children from poor, uneducated families, those living outside the capital, or belonging to an indigenous or migrant group are still less likely to be enrolled in education at all levels.

Figure 1.6. Access to regular education among 12-17 year-olds by average years of schooling in their household (2014)



Note: Low education level households have less than six years of formal education. Middle education household have between six and eight years of formal education. High education level households have twelve or more years of formal education.

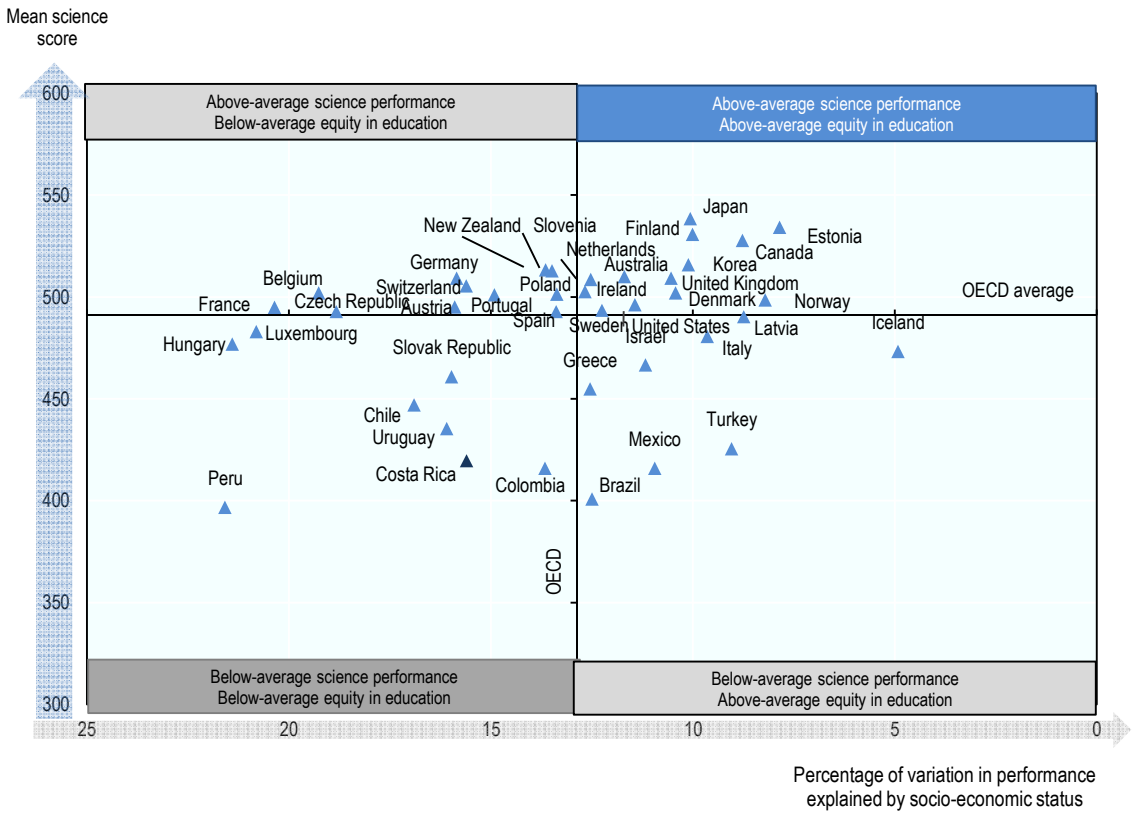
Source: PEN (2015), *Quinto Informe Estado de la educación 2015 (Fifth Report State of Education 2015)*, CONARE, Programa Estado de la Nación.

The gap between poor and rich becomes more pronounced as students advance in the system and the opportunity costs of education increase. The proportion of disadvantaged students who beat their odds and perform at the top levels is one of the lowest across PISA-participating countries (9%) and significantly lower than the OECD average (29%) (OECD, 2016c). In Costa Rica, socio-economic background accounts for 16% of the variance in PISA performance, above the OECD average (13%) (Figure 1.7) (OECD, 2016c). Other countries in Latin America which have succeeded in raising both access and student learning, such as Colombia and Peru, have made more progress in reducing the number of disadvantaged students failing to acquire basic skills. At the tertiary level, inequities are large, as only 7.5% of students from the lowest income quintile transition from school to university on time, compared with 54% of students from an advantaged background (see Figure 5.5).

Classrooms in Costa Rica often lack basic resources such as textbooks and other learning materials. Data from PISA indicate that 38% of students are in schools where principals

consider that the inadequacy of the learning environment hinders learning in their schools; this is particularly a problem for schools in disadvantaged areas (OECD, 2016d). Site visits by the review team and interviews with national and local officials revealed the shortage of teaching and learning resources to be a pervasive concern, along with the poor quality of basic infrastructure. Recent years have seen great efforts to improve school infrastructure following a long period of under-investment, with infrastructure spending increasing by 22% per annum between 2010 and 2017. The MEP has also given great emphasis to equipping schools with digital technologies. However, improving the quality and availability of textbooks and other learning materials appears to have received less policy attention, despite the roll-out of a new curriculum. Limited discretionary funding within the education budget also reduces the scope to invest in the school learning environment.

Figure 1.7. Relationship between performance and socio-economic status in science in PISA 2015



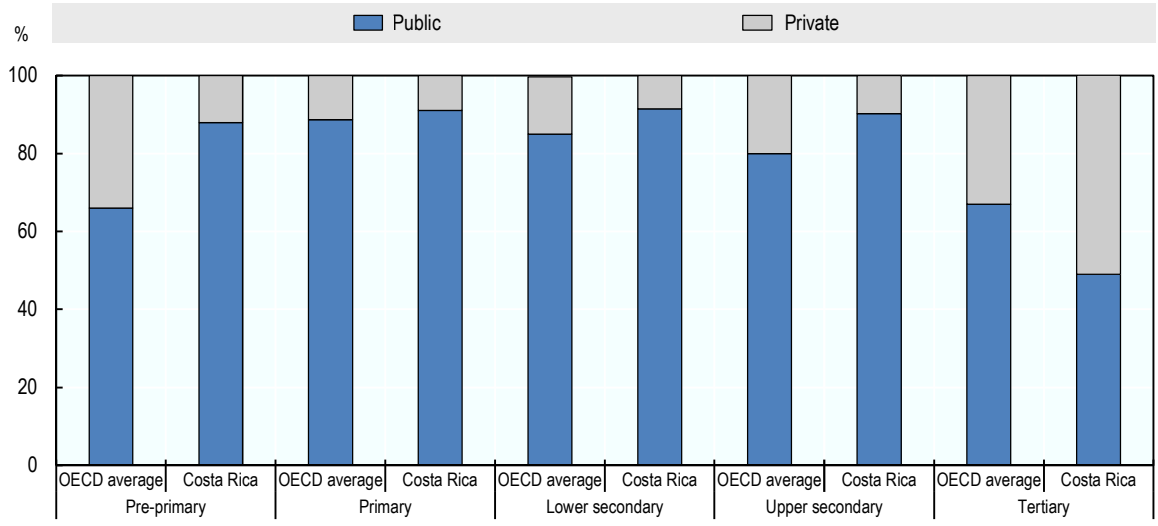
Source: OECD (2016c), *PISA 2015 Results (Volume I): Excellence and Equity in Education*, http://dx.doi.org/10.1787/9789264266490-en.

More affluent families can help their children get ahead by paying for private education provision

The private sector has been important in enabling increased participation in early childhood care and tertiary education in Costa Rica, where public provision has not been able to keep up with demand. Of those children aged 3 to 4 who benefit from centre-based care, over 50% are in private centres and of these the majority belong to the richest income quintiles who can afford the relatively high fees. This puts children from poor families at a disadvantage when they start school, and makes it harder for their mothers to work (see Chapter 2). At the preschool and school levels, the private sector (which includes

independent schools and government-subsidised schools) plays a less important role in terms of enrolment (see Figure 1.8). At around 11% in compulsory education (PEN, 2015), this is well below Chile (57% in lower secondary and 37% in upper secondary) similar to Brazil (13% in lower secondary and 14% in upper secondary) and close to the average across OECD countries (17%) (OECD, 2016g). In terms of outcomes the influence of the private school sector is more significant. While success rates in the *Bachillerato* – the exit examination in upper secondary school and entry requirement for university – are 55% on average across public schools, they are 85% in private schools and 91% in government-subsidised schools (Giménez et al, 2014). This results in students who attend private schools being more than twice as likely as those from public schools to be admitted to the most selective public universities (see Chapter 5). In Costa Rica, students who enter public universities benefit from low fees and generous scholarships which are not available to those students enrolled in private institutions.

Figure 1.8. Enrolment rates in the public and private sectors



Note: OECD data refers to 2014 and Costa Rica data refers to 2015. Private sector data includes independent and government dependent institution.

Sources: OECD (2016g), *OECD.STAT website*, http://stats.oecd.org/, (accessed 12 November 2016); UNESCO-UIS (2016), "Browse by theme: Education", Data Centre, UNESCO Institute for Statistics, www.uis.unesco.org/DataCentre/Pages/BrowseEducation.aspx (accessed 10 October 2016).

Regional disparities are being reduced but only gradually

The most disadvantaged regions in Costa Rica are rural, located close to border areas, or home to significant indigenous populations. They include Brunca, Chorotega, Huetar Atlántica and Huetar Norte (PEN, 2015). Differences in enrolment rates between these areas and the metropolitan area of the capital city where 57% of the population live have narrowed, with rural zones witnessing a 38% increase in upper secondary enrolment between 2006 and 2014, compared to 8% in urban areas (MEP, 2016a). But gaps in the quality of education remain large (Table 1.2). In 2013, most schools that had rates of success in the secondary-leaving exam of 90% or more were concentrated in the metropolitan area of the capital city, whereas rural areas showed much weaker performance and a greater proportion of schools that obtained pass rates of below 50% (PEN, 2015).

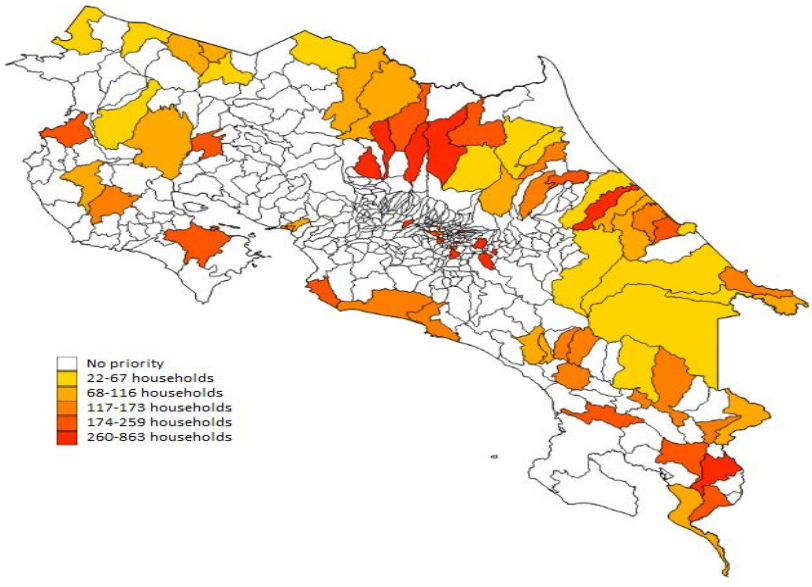
Table 1.2. Enrolment and outcomes by region

	Population	Poverty rate	Enrolment rate (5-6 years-old)	Enrolment rate (7-12 years-old)	Enrolment rate (13-17 years-old)	Enrolment rate (18-24 years-old)	Bachillerato average success rate (%) (range between districts in brackets)
Central	2 942 714	17.2	92.5	99.6	88.9	45.3	77.38 (68.71 – 82.26)
Chorotega	354 154	33.2	89.8	99.5	84.3	40.6	54.83 (39.04 – 64.95)
Pacífico Central	270 754	29.5	84.5	99.9	89.0	33.9	64.40 (56.64 – 69.08)
Brunca	353 276	36.2	82.8	99.7	89.1	39.2	74.19 (66.42 – 82.51)
Huetar Atlántica	422 529	28.2	80.1	99.2	83.7	30.2	50.42 (40 – 65.78)
Huetar Norte	369 737	26.8	84.6	99.5	86.4	33.0	63.01 (57.82 – 65.70)
National average	4 713 164	22.4	88.9	99.6	87.7	41.7	67.9

Source: INEC (2013), *Indicadores demográficos regionales 2013 (Regional demographic indicators 2013)*, Instituto Nacional de Estadística y Censos, www.inec.go.cr/wwwisis/documentos/INEC/Indicadores_Demograficos_Regionales/Indicadores_Demograficos_Regionales_2013.pdf; MEP (2016a), "Country Background Report: Costa Rican Education", Ministerio de Educación Pública; PEN (2015) *Quinto Informe Estado de la educación 2015 (Fifth Report State of Education 2015)*, CONARE, Programa Estado de la Nación; MEP (2016b), Informe Nacional Bachillerato de la Educación Formal 2015 (National Report Formal Education Bachillerato 2015), Dirección de Gestión y Evaluación de la Calidad, Ministerio de Educación Pública.

Measures to support school participation and outcomes for disadvantaged students include free school meals, transportation and a cash transfer conditional on attendance. A scholarship and loan system have also helped underprivileged students to finance their university studies. A national strategy for reducing poverty and extreme poverty in the most disadvantaged areas, Bridge to Development (*Puente al Desarrollo*), launched under the National Development Plan, has identified 75 priority districts for co-ordinated policy action which jointly account to 65% of the extreme poverty in the country (Figure 1.9). These districts should receive priority support under the government's major flagship initiatives such as, for example, the national programme to tackle dropout in the education sector and the provision of scholarships for tertiary education. This approach is positive, as previous efforts lacked adequate targeting and the co-ordinated approach needed to address the overlapping dimensions of poverty.

Figure 1.9. Map of Costa Rica's districts by poverty level (2011)

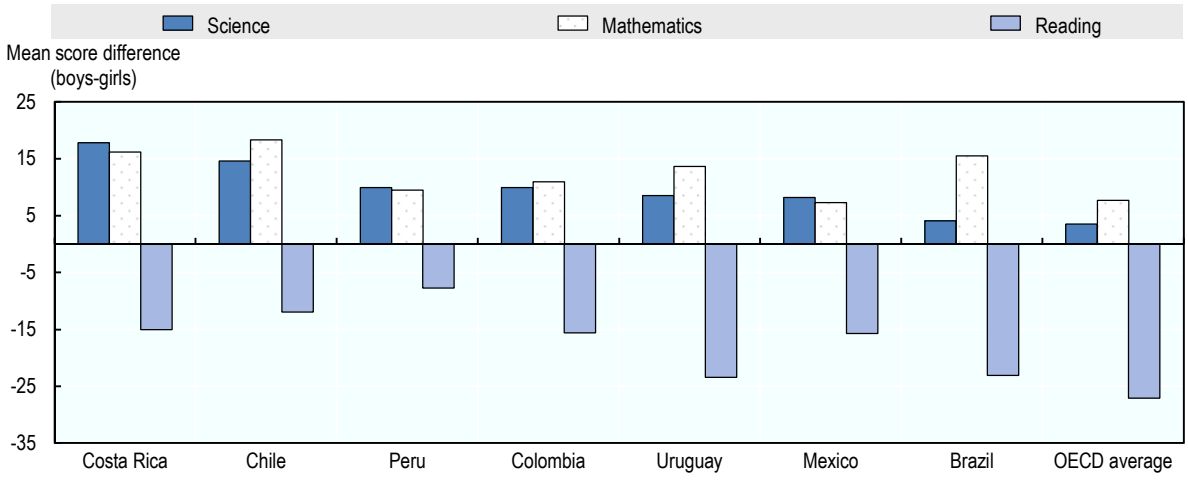


Note: Districts in darker shades of red have a larger number of households living under extreme poverty.
Source: Gobierno de Costa Rica (2015), "La nueva forma de combatir la pobreza: verla en el mapa" (The new way to fight poverty: see it in a map), http://gobierno.cr/la-nueva-forma-de-combatir-la-pobreza-verla-en-el-mapa/ (accessed 12 January 2016).

Girls do better in school but still have poorer career prospects

As in most other Latin American countries, boys do worse than girls in Costa Rica on all indicators related to enrolment, progression and graduation. A range of factors, from pressure to work to the lure of criminal gangs, contribute to higher levels of disengagement and drop out among boys, though recent years have seen male retention rates improve (PEN, 2015). Learning assessments, however, show significant gender differences in favour of boys. In PISA 2015, girls performed significantly behind boys in science and mathematics, whereas their advantage in reading, where girls typically do well, was much lower than the OECD average (Figure 1.10). The fact that more boys who struggle with learning will have dropped out by age 15 is likely to account for part of this performance gap.

Figure 1.10. Gender differences (boys-girls) in mathematics, science and reading performance in PISA 2015



Source: OECD (2016c), *PISA 2015 Results (Volume I): Excellence and Equity in Education*, http://dx.doi.org/10.1787/9789264266490-en.

Lower average performance as well as parental expectations and cultural norms might explain why girls are not finding increases in educational attainment a springboard to employment. While the incorporation of women into the labour market has increased significantly in recent decades, from 33% in the 1990s to 47% in 2014 (World Bank, 2016), it remains well below the OECD average of 63% (OECD, 2016a). Progress in raising learning achievement, in particular in STEM (science, technology, engineering and mathematics) subjects that are associated with higher wages, combined with policies to address the distinct barriers women face to employment, including affordable childcare, will be important to provide more equal opportunities for women and girls in Costa Rica.

Indigenous, migrant and special needs students are at greater disadvantage

Students from indigenous and migrant communities, and children with special needs tend to have poorer educational outcomes in Costa Rica, as in many countries. Even though schooling is compulsory, the 2011 Census revealed that a significant proportion of 5-17 year-olds are not in education: this was true of 24% of those from an immigrant background, 20% of those belonging to an indigenous community and 14% of those with special needs (UNICEF, 2015). The MEP has taken steps to improve education services for indigenous peoples, who account for 2% of the population, by giving indigenous

communities more autonomy in shaping the curriculum in their schools, recruiting more teaching staff from indigenous backgrounds, and providing financial support to indigenous students. Similarly, there have been major efforts to cater to students with special needs in mainstream schools, including the development of an adapted vocational programme to facilitate transition into the labour market. Less policy attention has been given to improving the opportunities of children and young people from migrant communities, many of whom face significant barriers to accessing education and other public services. Costa Rica's migrant population has increased steadily in recent years, from 7.7% in 2000 to 9% in 2011 (OECD, 2017, forthcoming). People of Nicaraguan origin are by far the largest migrant group (75%) and experience among the highest rates of education exclusion, unemployment and poverty in the country. This report recognises equity and inclusion to be a key issue for the education sector in Costa Rica, but does not examine in depth the specific challenges facing different population groups.

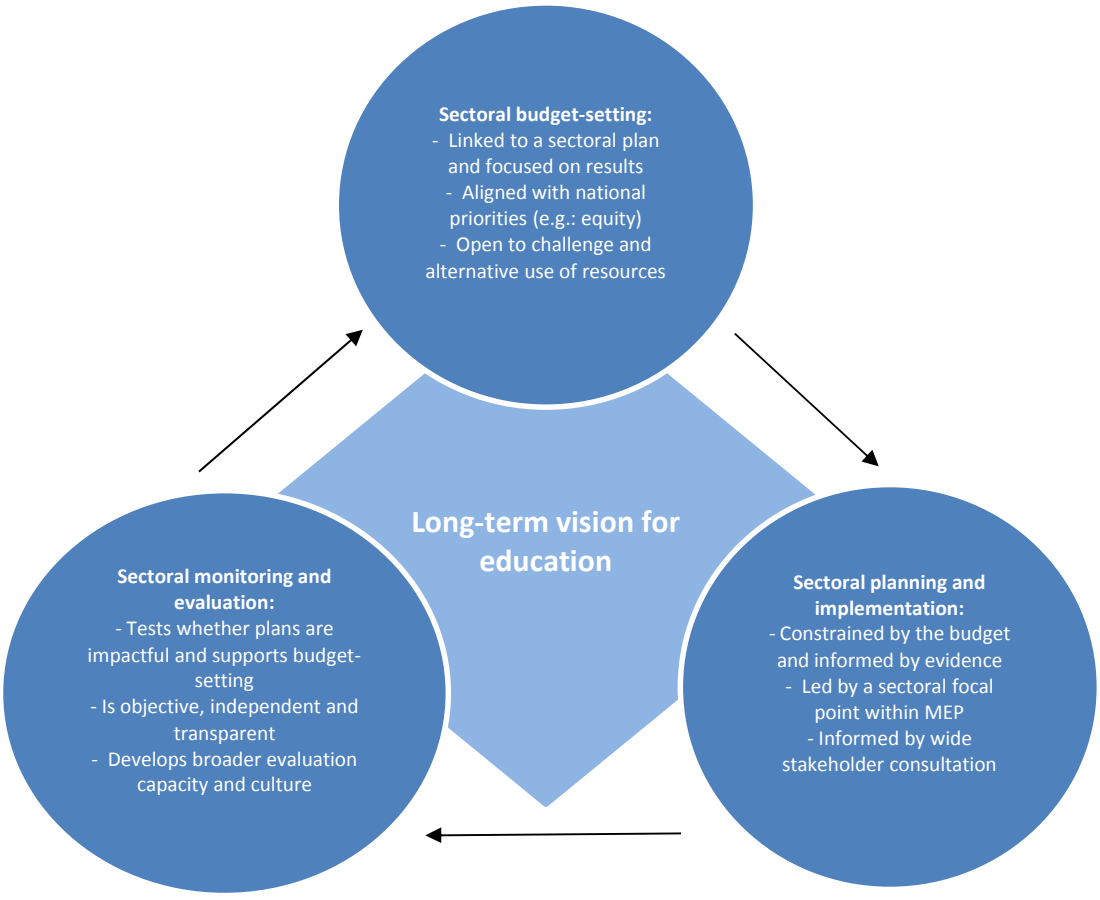
Education governance and financing in Costa Rica: using funding to get results

Recent OECD reviews of economic development and public governance in Costa Rica have identified several challenges in the way in which Costa Rica governs and funds its main public services, including education and training. Public spending has risen very rapidly, particularly through increases in the public-sector wage bill, and large parts of public expenditure are not closely scrutinised by the Finance Ministry (*Ministerio de Hacienda,* MH) or the Ministry of Planning (*Ministerio de Planificación Nacional y Política Económica*, MIDEPLAN).About 88% of expenditure, including education, is ringfenced by legal and constitutional requirements (MH, 2017). In response, the OECD has argued that Costa Rica needs to bring public expenditure under tighter control, and strengthen the capacity of government to link budgets with accountability for results. The recent slowdown in growth has underlined the urgency of measures to prevent the widening of an already large public deficit. Public debt increased from 27% to 42% of GDP between 2007 and 2015 (OECD, 2016f). This implies increasing the proportion of public expenditure which is open to challenge and control. It also means giving more emphasis to the evaluation and monitoring of public services in terms of their outcomes, and developing the capacity within government to exercise strategic oversight over main programmes and ensure that they are accountable and deliver value for money. All of this needs to be linked to a more open and consultative approach to the development of policy, and to public services and their delivery (OECD, 2015a, 2016a).

Education is also affected by these challenges, but with its own specificities. Rising education investment is vital to meet the needs of a fast-modernising economy, but, as described in the earlier part of this chapter, despite large spending increases, Costa Rica has not seen significant improvements in school completion and student learning. Other indicators where one might expect to see the benefits of education investment are not encouraging: productivity has barely increased, the labour market is fragmented by duality and a large informal subsector, skills shortages are apparent and inequality is growing (OECD, 2016a). While public spending on education is mandated by the constitution to reach 8% of GDP, this high level of investment needs to be matched by more robust means of ensuring that spending realises the desired outcomes. This means a sharpened focus on results, rather than inputs and processes, across education planning and policy-making. It also implies evaluation and monitoring arrangements that will measure performance and outcomes, linked to accountability systems that can effectively correct weaknesses in delivery, and sustain quality improvements.

An effective strategic planning cycle, focused on using funding to deliver better education outcomes, may be seen as a cycle that links, in a transparent and structured manner, the three core elements of budgeting, planning and implementation, and evaluation. The value of this and similar approaches to public expenditure planning has been recognised by the OECD (OECD, 2014b) and by the World Bank in its work on Medium Term Expenditure Frameworks (World Bank, 2013). Under this scenario, budget-setting is linked to expected outcomes; planning takes place to use the budget; while evaluation and monitoring tests what is being achieved with the budget, feeding back into the budget-setting and planning. All of this is set in the context of medium and long-term national policy objectives (see Figure 1.11). Here, taking into account Costa Rica's existing efforts in this domain (see MH, 2017) we look at how Costa Rica might develop a more strategic approach to education funding under each of these three areas.

Figure 1.11. Using funding to get results

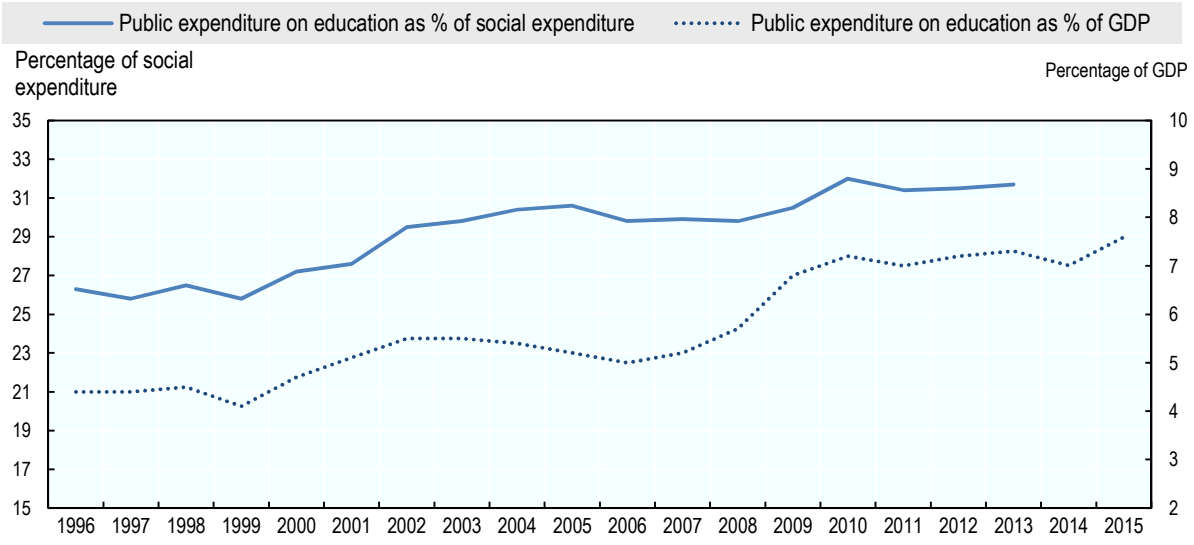


Setting education budgets to realise national objectives

High overall spending needs to translate into better outcomes for students and society

The first strategic challenge is to secure better results with the budget allocated. Public spending on education has increased significantly over the past decade, from 5% of GDP in 2006 to 7.6% in 2017 (Figure 1.12). In the current annual public budget, education accounts 29% of total expenditure and 59% of social spending (MH, 2017). This means that education is by far the single largest public investment in social and economic development.

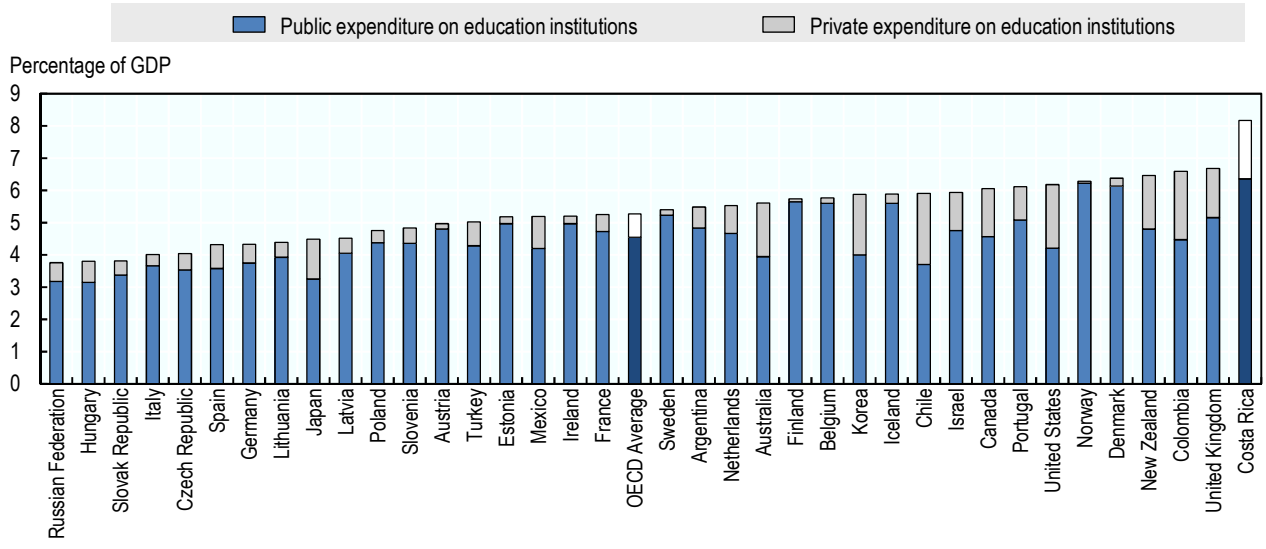
Figure 1.12. Public investment in education as percentage of GDP and public social investment (1996-2015)



Sources: UNESCO-UIS (2016), "Browse by theme: Education", Data Centre, UNESCO Institute for Statistics, www.uis.unesco.org/DataCentre/Pages/BrowseEducation.aspx (accessed 10 October 2016); PEN (2015), *Quinto Informe Estado de la educación 2015 (Fifth Report State of Education 2015)*, CONARE, Programa Estado de la Nación; PEN (2005), *Primer Informe Estado de la educación 2005 (First Report State of Education 2005)*, CONARE, Programa Estado de la Nación.

Total spending from primary to tertiary, which includes both public and private expenditure, was 8.3% of GDP in 2013, much higher than in any OECD country and well above the OECD average of 5.2% and other high-spending Latin American countries (Figure 1.13).

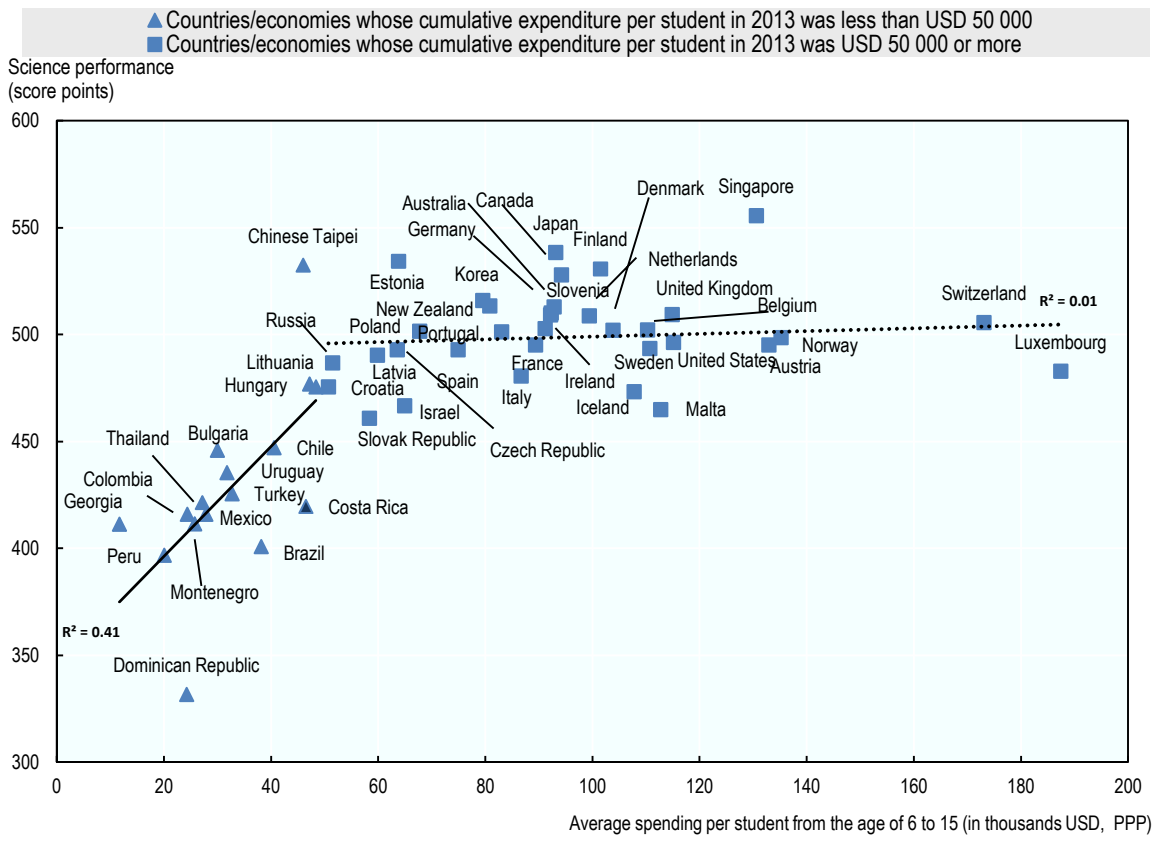
Figure 1.13. Public and private expenditure on primary to tertiary education institutions as a percentage of GDP (2013)



Source: OECD (2016b), *Education at a Glance 2016: OECD Indicators*, http://dx.doi.org/10.187/eag-2016-eng.

A high level of education investment is needed in Costa Rica. Current funding needs to address cumulative deficits – including in basic infrastructure – created by low spending (below 4% of GDP) in the 1980s and 1990s. Sustained investment is also vital to support further expansion of access, in particular in preschool and upper secondary education, and improve the quality of education, including through the provision of a longer school day, higher quality learning resources, and more professional support for teachers. In per student terms, public expenditure still remains relatively low, with cumulative expenditure by the age of 15 around half the average across OECD countries. Data from PISA show that low spending per student is associated with poor learning outcomes (Figure 1.14), signalling the importance of funding basic education adequately to raise student achievement. Yet, PISA also reveals that Costa Rica could achieve better results with the resources it invests. Croatia, for example with a similar level of GDP per capita, spends a similar amount per student, but by age 15 students are the equivalent of one and a half school years ahead of those in Costa Rica.

Figure 1.14. Relation between performance in science in PISA 2015 and spending per student (2015)

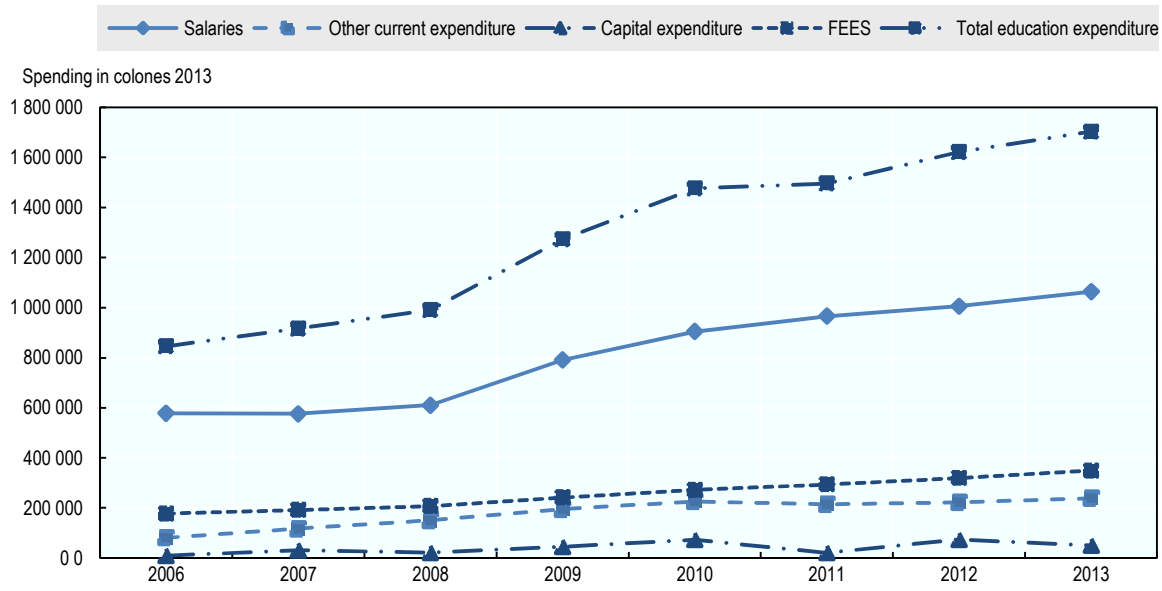


Source: OECD (2016), *PISA 2015 Results (Volume I): Excellence and Equity in Education*, http://dx.doi.org/10.1787/9789264266490-en.

Costa Rica therefore needs to be asking itself how to achieve better student outcomes with the resources it invests. This means having mechanisms in place to pose and answer that question, opening up the different sub-categories of expenditure to scrutiny and challenge, within the frame of a mandated *overall* level of education expenditure. For example, there has been limited debate, and certainly limited public debate, about the key drivers of expenditure. About 60% of the recent rapid increase in public education expenditure has been absorbed in the teaching wage bill (see Figure 1.15) as a result of growth in both salaries and staff

numbers. Similarly a significant proportion of the increase in public spending (20%) has been allocated to tertiary education, as the transfer to universities (National Fund of Higher Education, *Fondo Especial para el Financiamiento de la Education Superior*, FEES) has almost doubled in real terms. These key budgetary commitments have been agreed with inadequate discussion on how this was expected to improve education outcomes in respect of both quality and equity, and little evidence on whether it has in fact done so (Jiménez, 2014).

Figure 1.15. Evolution of public expenditure per resource type (2006-2013)

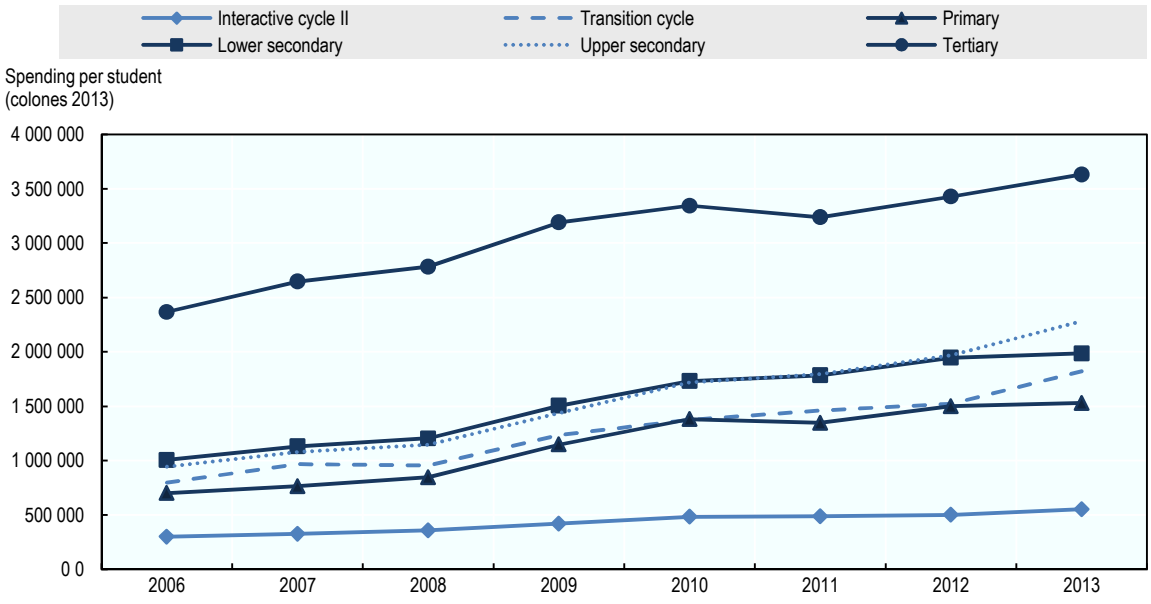


Source: Authors' calculations from MEP (2016a), "Country Background Report: Costa Rican Education", Ministerio de Educación Pública (MEP).

The allocation of resources between sectors raises equity concerns

A second key strategic question is whether the allocation of expenditure between the different sectors – early childhood, basic schooling, upper secondary and tertiary education – is optimal in terms of education and development outcomes. Again, this is a question which Costa Rica should be asking as part of the annual budget allocation, supported by the data and analysis that enable an evidence-based answer. Without such scrutiny, there is the risk that investment will follow historic spending patterns and vested interests, rather than education needs. This would appear to be the case in Costa Rica. Between 2006 and 2013, overall spending per student almost doubled in real terms (see Figure 1.16). Over this period, for every additional 1 000 colones invested, 354 were allocated to primary schooling, 230 to lower secondary education, 203 to tertiary education, 126 to upper secondary education and 77 to pre-school. This allocation raises several concerns, especially when looked at in the context of social and demographic trends: first in terms of equity – with respect to the low investment in pre-school and sustained high level of spending on tertiary education; and in terms of efficiency – with the continued rise in funding for primary school at a time of declining enrolment and growing pressures at the secondary level.

Figure 1.16. Public expenditure per student by level of education (2006-2013)



Note: Tertiary expenditure also includes investment in R&D.

Source: Authors' calculations from MEP (2016a), "Country Background Report: Costa Rican Education", Ministerio de Educación Pública.

There are strong grounds for Costa Rica to re-adjust the sectoral balance of expenditure between sectors, especially on the basis of equity. International research shows that within education expenditure, equity is served by giving priority to the earlier phases of education, namely compulsory schooling and early childhood education and care (Cunha et al., 2006). This is for two reasons. The first is that expenditure on the post-compulsory phases of education serves only a relatively advantaged portion of the youth cohort who are pursuing more advanced qualifications. This is manifestly the case in Costa Rica, where participation among poor students is very low. By contrast expenditure on compulsory schooling benefits the entire cohort, while that on early childhood education and care very often benefits the most disadvantaged. The second reason is that interventions to address educational and other forms of disadvantage are most effective in the earliest years, and less expensive than remedial responses later on (OECD, 2007).

Realising equity goals through education expenditure is important for all countries, but it is even more important in Costa Rica than in most OECD countries. This is because taxation in Costa Rica, including income taxation, has a minimally redistributive effect – much less than in most OECD countries (OECD, 2017, forthcoming). This means that as young people in Costa Rica enter the labour market, any differences in education and skills outcomes that emerge from education inequities will be reflected very starkly in wage and employment differences, without the compression effects which might be realised through redistributive taxation, as would be the case in other countries.

To best address the increase in inequality in Costa Rica, the strategic priority lies in increasing investment in compulsory education, in particular in pre-school education, which will require limiting expenditure on tertiary education. Costa Rica spends a larger percentage of GDP per capita per tertiary student than most OECD countries, though at just 53%, its enrolment rate is considerably lower. Expenditure on tertiary education has increased more

rapidly than in other sectors, while at the same time, for reasons examined in Chapter 5, within the budget for tertiary education resources are allocated in ways which do not contribute to equity. Costa Rica's growing economy clearly needs a thriving and high quality tertiary sector, but it needs to mobilise non-government sources of funding through cost-sharing arrangements to support it. Chapter 5 looks at how this might be achieved.

Several factors point to a need to rethink how resources are allocated within the school budget

Resource allocation at the school level also needs to be revised with a view to improving both equity and efficiency. Costa Rica has a very large network of primary schools, including many very small schools. While falling fertility reduced the number of children under the age of 12 by 11% between 2005 and 2014, spending per primary school student more than doubled. This trend, alongside continued urbanisation, means that many smaller rural schools have become barely viable and almost certainly inefficient, given general evidence on the sometimes questionable quality of small schools (see Chapter 3). At the same time, secondary education appears under-resourced, with low per-pupil spending, and class sizes which are too large in urban areas, a particular problem for disadvantaged students with weak independent learning skills. Turning around secondary schools that face particular challenges, as through the I'm In (*Yo me Apunto)* initiative and more broadly, will require additional resources. At all levels, Costa Rica will also need to think about how to expand the school day so that all students can benefit from adequate effective learning time. At present, just 3.1% of primary schools provide a full-day of schooling (PEN, 2013). Collectively, these compelling demands imply a new approach to how resources are allocated across primary and secondary schools and between schools with different needs.

In designing a new approach, Costa Rica will need better data on the costs and needs of each individual school (e.g. student composition, staff, state of infrastructure) as well as their outcomes (e.g. student completion, transition, learning outcomes). At present, information systems are weak and fragmented and important data are lacking, notably on school quality and student learning achievement (see Chapter 3). This makes it difficult for the MEP to evaluate the efficiency of different school types (e.g. small vs large primary schools) or assess which schools are most in need of additional resources for improvement. There is also limited capacity to understand demographic and enrolment trends across the country. The MEP has only been using a geo-referenced database of schools since 2011, and a similar database for ECEC is only now under development. These will be important tools to reduce geographic inequities in access to preschool and secondary school, whilst rationalising the network of primary schools.

Redistributive policies suffer from a lack of co-ordination, targeting and data

A final strategic challenge relates to the effectiveness of redistributive mechanisms in improving social and economic equality. Overall income inequality as measured by the Gini coefficient has increased in Costa Rica over the past decade, in contrast to the majority of Latin American countries where it has declined, and the level of inequality remains considerably higher than in most OECD countries (OECD, forthcoming). Alongside fiscal reform, the OECD has recommended a new approach to social policy in Costa Rica, with an emphasis on stronger co-ordination and management and better targeting of resources so that they reach populations most in need (OECD, 2017, forthcoming).

These challenges are highly visible in the education sector. Policies intended to offset inequality are not always focused on their designated beneficiaries; for example, over 20% of students receiving a cash transfer on condition of participation in secondary school belong to

the three richest quintiles of the population, who receive as much as the poorest students (Trejos, 2014). There are a range of programmes to promote access to school (e.g. by providing meals, transport, scholarships, conditional cash transfers), but schools themselves receive few additional resources to enable them to address the teaching and learning needs of disadvantaged students. There have been positive efforts in secondary education to co-ordinate social welfare policies to support schools with high levels of student drop-out through the I'm In (*Yo me Apunto)* programme (see Chapter 4). But in contrast to many OECD countries, there are no systemic mechanisms to redistribute resources to disadvantaged schools so that at-risk students receive proper support with their learning. The ways in which resource allocation policies are being used to address disadvantage will need to be re-evaluated, as part of government-wide efforts to improve the effectiveness of social policy.

Developing planning capacity

Effective planning needs to meet several conditions. It should be rooted in longer term strategic objectives that guide shorter term planning and policy-making; it should have mechanisms to engage different stakeholders to gain support for key reforms and ensure their effective implementation; and it needs to involve regional and local stakeholders both in the development and implementation of national policies. In all of these areas Costa Rica faces challenges.

A long-term vision would support better medium-term planning

In Costa Rica the four-year political cycle and calendar of development planning frames education policy-making. The PND sets out the overarching goals of the government, and each ministry, including MEP, is then expected to develop their own sector plan. Box 1.2 summarises the current goals for the sector, and Annex A1.1 and A1.2 provide a full list of the objectives established in the PND and MEP's plan. For the current planning cycle, each plan has 10 and 15 goals for education respectively, which touch upon almost every dimension of education with no clear prioritisation and little direct alignment between them. Fewer clear goals, linked to national development objectives, would indicate priorities more effectively.

These plans might also be usefully underpinned by longer term (10-15 years) strategies, given evidence that such planning has provided critical support for high performing countries, such as Korea and Finland (OECD, 2011). A long-term vision can ensure policy consistency across electoral cycles, recognising that education reforms often take many years to show results. There are some long-term policy documents in Costa Rica, such as the *Towards a Policy for the 21st Century* (*Hacia una Política para el siglo XXI)* vision paper released in 1992, and there has been policy continuity in some important areas such as the new curriculum, the development of a framework for system-level evaluation, and initiatives to strengthen the capacity of school principals and supervisors to foster school improvement. The long-term education policy under development since October 2016 is an opportunity to establish clear, ambitious goals for the country. It is important that there be inclusive public consultation, beyond the usual stakeholder groups that tend to monopolise the education debate in Costa Rica (see below), to generate broad societal support for the direction of reform. The final document should also provide concrete milestones against which policy priorities can be set and progress monitored.

Box 1.2. Goals of the education sector

Education is seen as a key for individual and national development in Costa Rica. The current policies for the sector aim to "build an education for life, which fosters creativity and innovation and promotes human development with equity and sustainability, in a context of schools of quality". The four main objectives of education policies are to (MEP, 2016a): (i) foster economic competitiveness; (ii) close inequalities across the country; (iii) develop students' holistically; and, (iv) develop active citizens who are committed with sustainable development. Some of the most prominent recent initiatives include:

- Improving the quality and consistency of ECEC provision: by developing a new ECEC policy, strengthening the role of REDCUDI as a co-ordinating body, and adopting a new national curriculum for pre-primary education.
- Implementing a new school curriculum: which emphasises the development of key 21st Century skills and attitudes, and promotes a more student-centred teaching approach.
- Tackling student disengagement: with the I'm In (*Yo me Apunto)* co-ordination strategy to tackle dropout in the most disadvantaged schools, and the introduction of a dual apprenticeship system to strengthen vocational education and training.
- Improving the quality of private tertiary institutions: strengthening the National Council for Private Higher Education (*Consejo Nacional de Enseñanza Superior Universitaria Privada*, CONESUP) to heighten oversight and quality assurance for the large number of private institutions and promote accreditation in national priority areas.

Fragmented responsibilities hampers strategic leadership of the sector

As across the public sector, the education system in Costa Rica is highly fragmented, with responsibilities spread among several ministries, subordinated agencies and autonomous institutions. The fragmentation in the ECEC and tertiary sectors is particularly pronounced (see Chapter 2 and 5). In ECEC, three different ministries and several decentralised agencies have overlapping responsibilities, while the tertiary sector is both sharply divided between public and private sectors and atomised by much weaker institutional accountability than is common in OECD countries. The MEP has a clear lead role for schooling, from preschool to upper secondary education, although weak co-ordination with the main training body, INA, creates obstacles for students wishing to move on from INA programmes into formal education.

Structural arrangements within the MEP and associated bodies also present barriers to strategic planning. The ministry is organised under three vice-ministers (academic, administrative, and planning) making it much harder to address compelling sectoral issues, such as the expansion of secondary schooling for example, or tertiary education. For this reason, OECD countries normally subdivide their education ministries between the different education sectors, with a clear strategic lead in each. In Costa Rica, strategic planning, budgeting and co-ordination would be substantially improved by establishing sectoral focal points within the ministry. This could be realised by adopting a structure in which each vice-ministry holds responsibility for a specific education sector or sectors.

When responsibilities are fragmented, robust co-ordination mechanisms play a critical role (Burns and Köster, 2016). In principle, the Higher Council for Education (*Consejo Superior de Educación*, CSE) might play that role in Costa Rica. It was established in 1951 to provide direction to education policies, foster the expansion of public education, and approve

new programmes and institutions. Its board has seven members: the current education minister, two former education ministers and one representative from primary schools, secondary schools, teacher unions and public universities. In practice, however, the CSE has played a limited strategic role and has not developed an identity or value distinct from the Ministry of Education (PEN, 2013). Improving its financial and technical capacity to ensure its independence, and integrating other key stakeholders in the board such as employers and parents to improve its representativeness, could enable the CSE to play a more effective role in shaping policy and encouraging co-operation in support of national goals.

Unions and universities have a strong voice on education policy

To the extent that stakeholders are involved in education policy, policy development is dominated by insiders within the education system, as opposed to wider society. Teacher unions and universities have a strong influence, through their inclusion in the CSE and other channels. Most teachers are affiliated to one of the three major teacher unions and the Costa Rican government has sought to enable social dialogue by placing high-ranking members in government and the Legislative Assembly (Bruns and Luque, 2014). As a result, labour relations tend to be more constructive than in other Latin American countries, though policy-dialogue has focused on working conditions and pay, with less attention to teaching and learning practices. The lack of teacher engagement in the development of the new curriculum has been an important gap (see Chapter 4).

By contrast, parents, students, employers, or wider civil society representatives have a very limited voice in national education policy. They are not represented in the CSE, and consultation processes to gather their views on education reform are rare. This contrasts with many OECD countries that have national consultation bodies to, for example, ensure that education policies respond to the type of education that parents want for their children or the skills that are demanded in the labour market. In Costa Rica, such stakeholder engagement would be important not only in helping to guide policy development, but also in strengthening support for the deep education reforms and increasing resources that the sector needs if it is to remain an engine for development.

Decision-making remains centralised

Education governance in Costa Rica is highly centralised. The MEP not only determines education policy but also directly manages the delivery of services across the country through a network of 27 regional offices (*Dirección Regional de Educación,* DRE). The latter have delegated administrative functions (e.g. authorising teachers' sick leave) and oversee a pool of school supervisors and pedagogical advisors who work closely with schools to support the implementation of national policies (see Table 1.3). Unlike OECD countries with a similar structure, such as Ireland, these regional offices play a limited role in improving the operation of education services or serving as a feedback channel to improve national policies. In recent years, the MEP has taken determined steps in this direction by requiring regional offices to establish an annual improvement plan with a limited number of goals in areas of national priority (e.g. increase enrolment in preschool, decrease dropout). These plans are supposed to be supported by detailed activities, responsibilities and resources, and their achievement monitored. The MEP is also encouraging regional offices to co-operate more and share good practices. However regional capacity for strategic planning and leadership remains weak and accountability is upwards, to the MEP, rather than downwards to the communities they serve.

Table 1.3. Distribution of responsibilities and staff in schooling

	Total staff	Main responsibilities
Central offices of the MEP	1 864	Establishes strategic orientation for the education system, determines education policy, directly manages service provision across the country; co-ordinates and assesses private education service provision.
Regional offices of the MEP	1 307 supervisors, technical advisors, and administrators across 27 offices	Delegated administrative functions, such as authorising teachers' sick leave, and oversees and monitors the implementation of education policy adapting it to each region's socio-economic characteristics.
Municipalities	n/a	Provision of childcare services. Upon the recommendation of school supervisors, municipalities appoint Boards of Education (*Juntas de Educación*) which are responsible for managing school funds.
Schools	73 616 teachers and school leaders in 4 523 schools	Provision of primary and secondary services.

Sources: La Asamblea Legislativa de la Republica de Costa Rica (1957), *Ley Fundamental de Educación Nº. 2160* (Fundamental Education Law No. 2160); La Asamblea Legislativa de la Republica de Costa Rica (1965), *Ley Organica del Ministerio de Educación Pública Nº. 3481 (*Organic Law of the Ministry of Public Education Nº. 3481); La Gaceta (2005), *Decreto Nº. 35513-MEP* (Decree No. 35513-MEP), La Gaceta Nº. 187.

Costa Rica needs to develop a more local and regional dimension to its policy making, both in terms of cascading down to local level decisions taken centrally, and in terms of feeding local experience back to the centre to inform policy-making. These channels of communication should involve school leaders, the regional offices and municipalities. There are 81 locally elected municipalities in Costa Rica, but they play very little role in education policy-making or delivery. There are no established channels for municipalities to engage with the regional offices on education issues in the communities they represent, and many lack basic administrative capacity (OECD, 2016e). Strengthening local engagement in education will clearly take time in Costa Rica and need to be part of wider efforts to build local government capacity. However, there is scope for stronger municipalities to start to play a more proactive role. Some initial steps have been taken to engage municipalities in expanding access to early childhood education and care, with promising results (see Box 2.1). More should be done to build on this experience, especially in upper secondary and tertiary education where Costa Rica needs stronger mechanisms to link the supply and demand for skills.

Building a culture of evaluation and monitoring

Once education plans and policies are developed and implemented, the outcomes need to be carefully monitored and evaluated, to ensure that policies are realising desired objectives and that any undesired side-effects are minimised. The evaluation culture in Costa Rica is weak compared to other Latin American and OECD countries (Galiani and Corrales, 2006). For example, unlike Brazil, Colombia, Mexico and Uruguay, Costa Rica lacks an independent body to evaluate education policy and performance (see Chapter 3). There is inadequate focus on outcomes in policy-making, weak data and information systems in many areas, and little in the way of institutional capacity for either the quantitative or qualitative analysis of system performance. The evaluation of policies, education institutions or education personnel is quite often seen as a threat rather than a tool of improvement.

Current evaluations of the education sector carried out by public authorities within the government (e.g. Ministry of Planning, Ministry of Finance) and external bodies (e.g. Comptroller General, Ombudsman) are largely focused on compliance with regulations rather than education outcomes. The few external evaluations which have looked at the impact of education policies – such as recent reports of the Comptroller General (*Contraloría General de la República,* CGR) on the limited relevance of in-service training, and the poor quality of night schools - have prompted promising reforms, demonstrating the potential of

evaluation to inform policy. The NDP 2015-2018, which includes for the first time a national agenda for evaluation, is a step forward in strengthening accountability across government in general, and in education, the largest public sector, in particular.

For this agenda to have real impact, evaluation and monitoring needs to be built into every dimension of the education system, so that the performance of the entire system, its different sectors, policies and institutions can be evaluated. Information and data systems need to be developed to support this process, with priority given to those areas where policy needs are greatest, such as better data on student learning and school resourcing, for example, and the performance of tertiary institutions. The human and institutional capacity to undertake the evaluation and monitoring task, and to interpret and use the evidence that emerges, needs to be built up over time. In the planning cycle described here one of the biggest challenges is establishing the policy planning mechanisms that can take full account of the emerging evidence. Sometimes this involves difficult decisions, for example when an initially strongly favoured course of action is yielding very poor results. However, such adjustments are essential to achieve better outcomes, especially in an emerging economy like Costa Rica, where the education system must respond to changing demands and achieve greater effectiveness if it is to expand access with quality.

Conclusion and recommendations

In Costa Rica, there has been a rapid expansion in educational participation in school and at tertiary level. While this is a significant achievement, it has not been matched by equivalent progress in improving the quality and equity of learning outcomes and labour market performance. In many of these areas Costa Rica remains behind OECD countries and, although Costa Rica has historically been a regional leader, it is now falling behind other Latin American countries. This chapter has sought to identify the main strategic steps, in terms of governance and funding, which Costa Rica now needs to take to address these challenges.

Box 1.3. Recommendations

To ensure that investment in education yields the best possible results for students and society, Costa Rica should pursue a strategic planning cycle, focused on outcomes, and linking education budgeting, planning and evaluation. To this end, the MEP, together with the Ministry of Finance, should:

- Establish systematic arrangements for agreeing budgets for the different sectors of education, linking budgets to planned education outcomes, prioritised according to national development objectives and a long-term vision for the education sector.
- On grounds of equity, give priority in spending to the earlier phases of education, and explore reforms of tertiary education funding in line with the recommendations put forward in Chapter 5.
- Establish a clear lead for each sector within the MEP, with responsibility for developing and implementing plans to spend agreed budgets. Education reform should be opened to consultation with a wide group of stakeholders, including those who work in the education system, local actors, parents, students and employers.
- Give higher priority to the monitoring and evaluation of education policies in relation to planned education outcomes and invest in building the capacity to do this. Use the results systematically to adjust policies and funding.

Annex A1.1. National Development Plan (2015-2018)

Box 1.4. National Development Plan (2015-2018)
(*Plan Nacional de Desarrollo*, PND)

1. Increase the coverage in preschool education, in the year Interactive II in the framework of early childhood care (from 63% to 69.5% coverage of 4-year-and-3-month-olds between 2014 and 2018).
2. Guarantee the universalization of second language (increase the coverage of English teaching in primary school from 87% to 90% between 2014 and 2018).
3. Attention to lower secondary and upper secondary (vocational and academic) education (increase the enrolment of 12-16 year-olds from 70% in 2014 to 73% in 2018; decrease the drop-out rate from 9.9% in 2014 to 9.7% in 2018; increase the number of students graduating from technical schools from 33 746 in 2014 to 121 463 in 2018).
4. Nutrition (increase the coverage of educational centres with nutritional services, to reach 695 088 students in 2018).
5. Quality infrastructures in education centres (create 16 061 new educational spaces by 2018).
6. Develop the capacity of students to use ICTs in order to renew the teaching and learning processes (317 equipped and connected centres, and 25% of students able to use ICTs in centres that implement the National Programme for Mobile Technologies by 2018).
7. Learning resource centres (harmonise the equipment of the centres across the country).
8. Teach non-violence in education centres (develop a national programme against violence and bullying).
9. Promote environmental education and an active citizenship in the curriculum and teaching methodologies.
10. Improve indigenous education in non-indigenous territories (increase graduation rate from high school from 31% in 2013 to 44% in 2018, increase the coverage of indigenous language and culture services respectively from 64% and 51% to 75% and 61% between 2014 and 2018, strengthen study programmes, increase the coverage of services and teacher training).
11. Increase the number of upper secondary schools offering the International Baccalaureate Programme from 12 to 20, at least one in each province, by 2018).
12. Continue to participate and disseminate the results of international assessments (PISA, LLECE-TERCE).

Source: MIDEPLAN (2014), *Plan Nacional de Desarrollo 2015-2018 "Alberto Cañas Escalante" (National Development Plan 2015-2018 "Alberto Cañas Escalante")*, Ministerio de Planificación Nacional y Política Económica.

Annex A1.2. MEP Institutional Strategic Orientations (2015-2018)

Box 1.5. MEP Institutional Strategic Orientations (2015-2018)
(Plan estratégico 2015-2018 del MEP)

1. Management focused on quality, equity, service, efficiency, transparency, planning as commitments to the national educational community.
2. Focus on early childhood.
3. Combat exclusion and school drop out.
4. Expand coverage and teaching of a second language.
5. Promote schools as spaces of opportunity in terms of equity, relevance and quality for students.
6. Restructure management system and develop educational infrastructure to attend demands timely, in particular in disadvantaged areas.
7. Innovate teaching and learning by incorporating mobile technologies.
8. Promote safe environments where teachers and students are prepared to prevent violence and discrimination within a framework of human rights respect.
9. Keep updating curricula and incorporate education for sustainable development.
10. Strengthen holistic indigenous education, without hurting their values and beliefs.
11. Assess quality to support decision-making and improve teaching and learning.
12. Continuous and relevant professional development and improving the teaching profession.
13. Establish co-ordinated actions between the MEP, the CONARE and other tertiary institutions to strengthen the education system.
14. Improve the quality of tertiary education.
15. Implement an institutional and comprehensive policy to tackle socio-economic and gender inequality.

Source: MEP (2015), *Plan estratégico 2015-2018 del MEP: Educar para una nueva ciudadanía (Strategic Plan 2015-2018 of the MEP: Education for a new citizenship)*, Ministerio de Educación Pública.

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