

General versus Vocational Education: Lessons from a Quasi-Experiment in Croatia

Non-Technical Summary

This paper identifies the causal effect of an educational reform implemented in Croatia in 1975/76 and 1977/78 on educational and labor market outcomes. High-school education was split into two phases which resulted in reduced tracking and extended general curriculum for pupils attending vocational training.

Determining the effects of the reform adds to general versus vocational education debate. As both educational systems have their benefits, there exists a well-known general-vocational trade-off. In particular, skills acquired by vocational training may ease the transition into the labor market, but may become obsolete at a faster rate; while general education gives access to broader knowledge that can serve as a sound basis for subsequent learning and specialization.

Exploiting the rules on elementary school entry and timing of the reform, we use a regression discontinuity design and pooled Labor Force Surveys 2000–2012 to analyze the effect of the reform on educational attainment and labor market outcomes. In particular, we identify January 1, 1961 as a marginal birthdate for reform inclusion; hence we use distance from the individual's birthdate and marginal birthdate as an assignment variable in the regression discontinuity design.

We find that the reform, on average:

- reduced the probability of having an university education, which we contribute to attaching professional context to once purely academic and general high-school programs
- had heterogeneous effects across gender, as for males we find that the probability of finishing high school decreased, while for the females we do not observe any adverse effects, only an increase in the probability of having some university education
- did not positively affect individuals' labor market prospects

We conclude that the reform had some unintended effects. One of the most important objectives of the reform was to give broader access to general and academic education. However, it resulted in decreased probability of finishing high-school for males which is clearly opposed to its proclaimed objectives. We also conclude that general high-school curriculum itself is not explaining the long-run labor market performance and that the observed general-vocational wage differential is mainly driven by self-selection into the type of high school. Therefore, this research perpetuates the debate on not only how to combine academic and specific parts of education, but also how to implement such an optimal mix.

Keywords: General education, vocational training, reform.