

Commercialization of Higher Education in Latin America: The Case of Mexico

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It is well known and documented that private higher education is the fastest growing education sector in most global regions. This phenomenon is visible in countries with strong state-funded systems of tertiary education, such as Europe. Even China, with a communist government, is experiencing a flood of new universities over the last two decades (Chapman, Cummings, and Postiglione 2010).

Following this international trend, Latin America is, among developing countries, probably the region that has experienced one of the most rapid and expansive disseminations of private higher education. Given that Latin American governments have been unable to accommodate and absorb the demand for higher education, an exponential number of new private universities have flourished recently (Altbach 2007). Within the last 30 years, private higher education has shifted from being a minority to reach a visible place in most of the region's countries. Brazil and Chile, for instance, have close to 90 percent of the total number of private institutions, enrolling around 70 percent of the total student population. All this is a consequence of several factors that affected this region. Since the 1980s governments of Latin America have faced serious challenges in keeping the model of free tertiary education open to all citizens. Some of the reasons that slowed public funding for education were related to commodities prices, political instabilities, and rampant corruption that eroded decision-making and planning in the midst of debt to foreign banks (Márquez 2004; Ornelas 1995). All this, combined with the growing set of neoliberal international policies of leading economies, prepared the way for regional policies that favored the mushrooming of

private, and especially for-profit universities (Salmi 2007). Many governments saw this new context as an opportunity to divert some higher education funding to other levels of education, such as elementary education, following advice from international organizations like the International Monetary Fund, World Bank, UNESCO, and others (Altbach 2007).

Although the expansive growth of demand and supply of tertiary education is generally seen as progress, it has not come without creating negative reactions. The following pages describe some of the trends and challenges that private higher education faces.

Private Mexican higher education

Private education has been a recent catalyst throughout Latin America involving an increasing number of tertiary-level students. As can be inferred from Figure 1, enrollment in Mexican private higher education has been steadily increasing, especially over the last 20 years. On one hand, this growth can be related to demographics, but on the other to the emerging participation in education that Mexican society is experiencing (Rubio 2006).

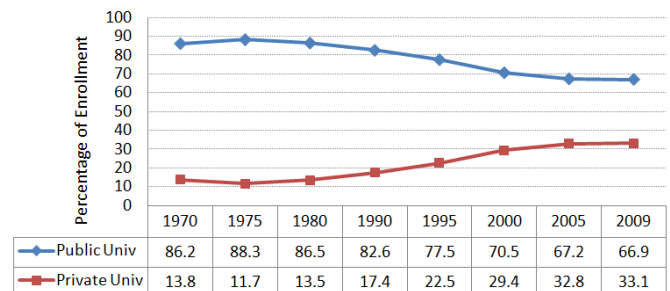


FIGURE 1. Public-Private Participation in Mexican Higher Education, 1970-2009

Source: Secretaría de Educación Pública.

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Of the total enrollment, 33.1 percent attended private universities, comprising 895,783 students. The biggest growth can be seen between 1980 and 2000 when private education more than doubled the students it attracted, reaching roughly 30 percent of students. The total private enrollment for 2008-2009 was distributed among 1,573 universities, representing 65.6 percent of the total number of universities in Mexico.

As Figure 2 shows, private higher education in Mexico has been expanding at a fast rate. For instance, from 1980 to 1990 it grew 245 percent from 146 institutions to 358. A similar increase can be seen from 1990 to 2000 to 2009 with increases of 205 and 214 percent respectively. Private tertiary institutions have grown almost 11 times over the last 29 years, from 146 in 1980 to 1573 in 2009 (1077 percent). Over the same period of time, the public sector has expanded a bit more than five times, from 161 public institutions in 1980 to 824 in 2009 (512 percent). This simple comparison shows the escalating number of new universities over the last 30 years.

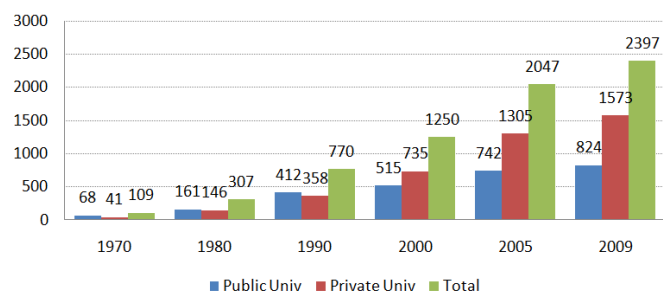


FIGURE 2. Number of Public-Private Mexican Universities, 1970-2009

Source: Secretaría de Educación Pública.

Demand-absorbing universities

Public versus private is no longer enough to distinguish higher education providers. From the 1980s to today a new sector has created a renewed set of debates around the private sector. For-profit universities or demand-absorbing institutions, according to Levy's classification (1986), is by far the fastest-growing higher education sector in the world (Kinser and Levy 2005). Mexico mirrors this trend but does not have a legal definition of *for-profit* that can screen universities to

determine their *for-* or *not-for-profit* status. Not-for-profit schools do not violate rules by pursuing gains that are redistributed in the same institution through new facilities and payroll. However, if for-profit means distributing income or profits to owners or shareholders (for instance, beyond salary), many universities are actually working as for-profit without the legal recognition or regulation of a business. So, these schools are operating under the legal umbrella of not-for-profit but making money without paying the proper taxes. This loophole in Mexican legislation allows many entrepreneurs to profit from education. Defining for-profit is highly intertwined with what is understood as higher education. Moreover, some public and not-for-profit universities are developing activities pushed through international branch campuses, which are very similar to, if not overlapping with, revenue returns of for-profit schools. As a consequence of this rapid development of entrepreneurial investments in education, legal definition of for-profit higher education is at best uncertain worldwide.

Most of the demand-absorbing universities in Mexico can be classified as for-profit according to their funding and administrative structure. This type of institution is characterized by teaching classes during convenient time periods such as weekends, and through online delivery methods. Also, most of them have contract professors subject to very weak or nonexistent tenure processes. The administration operates as a business with centralized management, reducing collegiality and faculty power. This type of tertiary education has also raised concerns about its quality (Boville, Argüello, and Reyes 2006). Some of these universities are graduating students without rigorous mechanisms to assess quality since accreditations are not enforced in Mexico. Reacting to the commercialization of private higher education, government agencies, even throughout Latin America, are gradually increasing controls over private universities and their academic offerings. Several federal and private accrediting organizations in Mexico are setting higher standards not only to open new programs but to keep them accredited. But still, getting official approval for a new university is very much unregulated and easy. As Didou (2009, 7) asserts, "What is needed

is for general guidelines to be issued to define minimum criteria for quality assurance, and to create some sort of market regulation and protection for the consumer.” In this direction, there have been steps taken by the Secretary of Public Education (SEP) to alert students and families about which universities have an Official Validity Recognition of Studies (RVOE) certificate. Recently, the official website of the SEP published a list of 10 universities that do not have RVOEs yet who are recruiting students (SEP 2010). It is striking how a tertiary school can function without minimum requirements and official controls.

Final Thoughts

The increase of low-profile private higher education in the region should not be seen as something negative. It is actually a natural consequence of policies, redistribution of governmental resources, and economic conditions that have facilitated entrepreneurial investment (Ilon 2010). Demand-absorbing institutions seem to provide a way out for members of the poor working class that want to be a part of national development.

Among academics there is strong resistance to this new wave of low quality universities. There are good reasons to be suspicious of their quality and final product. But this type of school is here to stay. They actually seem to be growing and multiplying more than ever before. Regulating their creation and quality is a task that Mexican society cannot afford avoiding. At the bottom of this discussion is a conflicting view of what a university is and what its purposes are. Mexican private higher education should be modeled after a pluralistic system to serve different types of students (working adults, young, poor, wealthy, etc.), since society has a wide spectrum of contexts and needs. Being flexible but high quality is probably the most challenging goal for policy makers in Mexico.

In a highly neoliberal economy where private higher education is free to fight and position itself as an alternative, there remains the important issue of quality as a key factor for differentiation in a setting with a growing number of new private universities. There is too much at stake if a country does not have a comprehensive

plan for human resources development. Perhaps this is the most exciting field of research for this century.

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