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Introduction

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Abstract. The expansion of higher education in Latin America before 1980 resulted from the growing demand of the urban middle classes. The state responded with a benevolent attitude, except when political circumstances led to police repression. The deep crisis and the emergence of new economic policies in the 1980s drastically changed this picture. Funds for further growth are not available and there is no longer a favorable political climate for the universities. The new ideological and political scene favors policies aimed at abandoning incremental formulae for state funding, increasing private funding, rationalizing spending, promoting institutional and program differentiation, introducing evaluation as a major policy instrument and checking enrolment growth. Negotiation over these issues in democratic regimes has become cumbersome and difficult. A set of policies for the private sector is also emerging though these are ineffectual if state funding is not forthcoming. Though flexibility over accreditation became common in the 1970s and 1980s there is now closer scrutiny of such matters. Legal frameworks have favored differentiation in the private sector also, including recognizing profit-oriented institutions which are capable of absorbing excess demand but which are less closely regulated than the older and more prestigious institutions.

The tremendous expansion of higher education in Latin America during the long period between the postwar years and the deep economic crisis of the early 1980s was, by and large, a response to demand factors, rather than the result of State planning. Public policies were largely a reaction to the demographic, social and political growth of the urban middle classes: throughout the period the State assumed the role of either a benevolent financial agency, providing educational services and jobs to these growing sectors, or of a disciplinary police force, when the beneficiaries of its largesse did not behave properly in the political arena (Tedesco 1983; Brunner 1990). Higher educational planning consisted of laying down the foundations of a broad network of public institutions throughout the national territories and maintaining financial and some political control over them. Efforts to change the system in the 1950s and 1960s originated in modernizing faculty elites, often trained abroad, supported by leftist student movements, which sought a radical departure from the tradition of professional schools devoted exclusively to the training of lawyers, physicians, and engineers. They also sought the opening of the system to the lower classes and responsiveness to community social needs. A major exception in the late 1960s was the university reform carried out by the military government in Brazil, which nevertheless was based upon some of the same objectives.

Failure of the public sector institutions to meet quantitative demands, a perceived decline in quality, or the political orientation predominant in some schools, as well as the uncertainties associated with political mobilization and police repression, led to the expansion of the private higher educational system, a major political issue

during these decades. Private institutions were growing in numbers and enrolments everywhere. In Brazil and Colombia they already absorbed a sizeable proportion of the total demand at no cost to the State, while in Chile they received public funds. In Mexico and Argentina their expansion was relatively more restricted (Levy 1986).

Demand for higher education increased as a consequence of growth in the number of people, within the appropriate age group, which had completed secondary education and aspired to enter the labor market in urban, nonmanual jobs. Population growth rates were extremely high throughout the period and started to decline too late to affect educational demand. The total population of Latin America jumped from 155 million in 1950 to 352 million in 1980 (Wilkie and Ochoa 1989). Since the age group attending higher educational institutions makes up approximately 10% of the total, we are in fact looking at 15 million in 1950 as contrasted to 35.2 million thirty years later. In the absence of reliable data on the relative size of secondary education graduation classes, we may use as a proxy variable the proportion or urban, nonmanual jobs in the region. Latin America urbanized very rapidly during this period, so that the population in cities of 20,000 and over jumped from 29% to 47% of the total population (Wilkie and Ochoa 1989). Accepting this rather narrow definition, young urbanites who might have aspired to higher education were approximately 4.5 million in 1950 and 16.54 million in 1980. The size of the urban nonmanual labor force is a good estimate of the amount of jobs, at each date, available to those who actually considered entrance into a higher education institution for further training. According to estimates based upon six major Latin American countries, nonmanual jobs made up around 28% of the nonagricultural labor force in 1950, while the corresponding figure for 1980 was somewhat over 37% (de Oliveira and Roberts 1989). We do not know how this distribution varied by age, but it seems acceptable to use it as a rough indicator of urban job holders to be replaced by the new generation with postsecondary education. According to the new estimates, the number of young urbanites was 1.26 million in 1950 and slightly over 6 million in 1980. A final correction is needed, however, considering the growing female demand for higher education, a crucial factor in the expansion of female participation in the urban nonmanual labor force. Women made up only 20% of total enrolment around 1950, a proportion which increased to over 40% in 1980. Thus, it seems reasonable to consider only two out of five female candidates in our estimate for the earlier date, and four out of five at the later one.

In other words, population growth, urbanization, changes in occupational structure, and integration of females into the nonmanual labor force, taken together, would lead us to expect a jump in the total demand for higher education from around 880 thousand to 5.5 million between 1950 and 1980 in the twenty Latin American republics. The enrolment estimates for those dates show, in fact, that the system grew at a slightly faster pace, even if the figures are not much off the mark: Levy estimates a total of 403 thousand students for around 1955 and 4.48 million for 1980 (Levy 1986, p. 4). The procedure suggested does not yield figures which may be interpreted in any concrete way, i.e., as 'candidates' for admission into a

higher educational institution. However, it may be used to estimate the rate of expansion of the possible candidates: there were 6.3 as many of them in 1980 than in 1950, while enrolment actually increased 11.1 times.

Should one attempt to run a multiple regression equation with only twenty cases, it is expected that these variables would in fact 'explain' much of the variance in enrolment growth. Intuitively, this makes sense: Argentina and Chile, already highly urbanized and with a large nonmanual sector by 1950, and both with moderate population growth rates during these decades, showed relatively high enrolment figures at the beginning of the period which increased less than four times in Argentina and around seven times in Chile by 1980. Uruguay and Cuba would also be on the same side in the scattergram. Mexico and Brazil, on the contrary, showed the opposite social and demographic characteristics and had low enrolment figures in 1955 which jumped almost eighteen times by 1980. Other large Latin American countries, like Colombia and Peru, would fit approximately on the same side of the picture. However, one would find an increase in the mean enrolment figures unexplained by these variables. Many additional determinants of growing enrolment come to mind, but I would like to mention two. First, many jobs, by 1980, required more years in school than in 1950, and entrance into them became restricted to holders of formal credentials produced by higher educational institutions. A large number of these jobs belong to the educational sector itself. Primary school teachers are normally required now to hold a higher educational diploma, while in the past secondary education was expected but not always required of them; further training is generally needed for promotions. Teacher training became in fact the fastest growing sector within higher education in Latin America during this period. More broadly, state bureaucracies, and also the private sector, tended to define more nonmanual jobs and pay levels in terms of formal educational credentials, thus affecting demand. Second, there was a much more diversified supply of higher educational programs in 1980 than in 1950. Those programs, including postgraduate training of various sorts as well as grade programs of shorter duration, attended the needs of different students, and more often than not were provided by the private sector as a response to demand.

The national economies of Latin America did exceptionally well during the years under consideration: income per capita more than doubled between 1950 and 1980. Thus, on the average they could support a boom in the total number of students in higher education without a significant decrease in spending per student, whatever the proportion of the total cost financed by the State. The economies which, in the long run, grew at faster rates, were those in which enrolment rates also jumped higher, i.e., Mexico, Brazil and Colombia. Public spending in higher education increased as each State was able to expand the budget, thanks to a growing economy, and often it was more generous than for other social programs. Both Chile and Argentina faced major economic and political crises during the 1970s which were reflected in a major downturn in state financing of higher education, which declined more than other public expenditures in both of them during the second half of that decade, anticipating a trend which became generalized during the 1980s. Their overall economic performance throughout the three decades was

much weaker than in the other three countries. In all these countries a significant increase in the proportion of students enrolled in private institutions took place, with a corresponding proportional growth in the costs directly paid by students. Yet, the state never lost its role as the leading financial agency for higher education, notably by providing free tuition. Only Chile has made a significant alteration to the free tuition policy.

Higher educational institutions, however, were often in a conflictive political arena. Traditionally, university politics had been close to the core of national politics, in part due to the tendency of the political elite to be recruited from the university ranks. Since the 1960s the national universities became also a relatively important sector of the federal and provincial bureaucracies, and thus a source of income and power. This was particularly the case with the very large institutions in highly centralized nations like Argentina, Chile and Mexico: budgets for the Universidad Nacional Autónoma de México, the Universidad de Buenos Aires, or the Universidad de Chile, were similar to those of a medium size or even large provincial administration. Radicalized student bodies followed the tradition of political activism around national and urban issues much beyond university policies. Decentralizing policies were inspired to diffuse the explosive potential of this concentration, yet the new institutions rapidly gained local weight and were often captured by local political groups. Reformist orientations among the student body receded in the face of revolutionary ideologies in the 1960s and early 1970s, when populist policies were facing increasing economic restrictions. Repression became more violent within the universities, as it did throughout society. Military coups in Brazil and Argentina in the 1960s, as well as in Chile and again in Argentina in the 1970s, led to military intervention in universities. Thus, conflict over higher educational policies was part and parcel of a spiral of conflict throughout society in which student bodies, faculty, workers' unions and university administrations were often involved.

A major change in the overall policy orientation *vis-à-vis* higher education took place only when the fiscal crisis of the State made it abundantly clear, in some countries already in the 1970s but everywhere in the 1980s, that the latter could not keep up with incremental budgets responding to social and political demands. Money was not there any longer, but also the political will to do so had almost disappeared. The Chilean military in 1973, as well as their Argentine counterparts in 1976 – unlike the Brazilian military, still in power after the 1964 coup – reduced drastically the funding of national universities, without attempting major changes beyond placing entry restrictions and introducing strict police controls. Public spending in health and education declined, but public universities were also being punished for their role in revolutionary movements. Student enrolment declined in absolute terms. In Mexico and Brazil, restrictive financial policies were a direct consequence of the external debt crisis of the early 1980s. Colombia, whose economy suffered considerably less than the others the impact of the external debt upon State finances and the overall economic outlook, only slowed down the trend of incremental growth.

The climate of ideas regarding higher education has changed drastically

throughout the region since the late seventies. The generalized good will towards the university has ended, and hard questions are now being raised regarding the quality, efficiency and equity of the system. The new winds of change are predominantly external to the university institutions, unlike the reforms of the 1960s: governmental agencies within the realm of finance, and foreign advisors and consultants, became key actors now, while in the past elite research faculty and radicalized students, at times with the support of educational authorities, had been the main promoters of change. A major effort to restructure the State, reducing its size and cost but also redefining its role in society, started to take place. In the midst of a trend away from populist policies and with income distribution more unequal than ever, equity in higher educational spending is being questioned. The sheer size of the higher educational system, in terms of number of institutions, faculty and staff, as well as students involved, demands attention within these attempts to restructure the State apparatus. But the new democratic administrations often are too weak to implement adjustment policies and reduce public spending with some assurance that institutions remain open. Unlike the rest of the educational system, higher educational institutions retain a large degree of academic autonomy. Thus, the new educational administrations, appointed by constitutional governments rather than by military regimes as in the recent past, have to negotiate with institutional representatives, often university presidents, as well as with faculty and staff unions and with the student movement. Public universities, as well as other higher educational institutions in the public sector, are currently the scene for numerous strikes, sit-ins and demonstrations which, unlike those in the past, originate in higher educational policies rather than in other political issues.

There are considerable variations among the five countries discussed in this volume in the format, substance and timing of the policies the new administrations attempt to introduce, as well as in their successful implementation, but some overall trends may be easily observed. The overall goals seem to vary very little. Regarding the public sector institutions, most administrations are seeking to:

a) *Abandon formulae for incremental funding* and replace them by other schemes which consider variations in structure, functions, size and location of different institutions;
b) *Stimulate increase in private funding*, either through student fees (high in Chile, moderate in Colombia, selective according to programs elsewhere), through contracts and arrangements with private and public enterprises, and through outside funding (foundations, international agencies);
c) *Rationalize spending*: changing rules for inter and intra institutional budget allocation, considering efficiency and equity as goals, and reducing the cost of bureaucratic controls;
d) *Promote inter-institutional differentiation*, generally between two major sectors: full blown universities, on the one hand, and other kinds of institutions, on the other. The latter could be 'isolated' schools (i.e., those offering only a few main cycle programs), technical schools, or tertiary/non-university institutions. These

institutions, unlike full-blown universities, have more limited and specialized functions, tend to exclude research, and more often than not employ less prestigious faculty employed on an hourly basis. Further differentiation within the former is also present through research financing policy, which ties availability of research grants to the presence of high quality graduate programs, full-time research faculty, and the like, which in fact define a small group of universities or departments as research oriented;

e) *Promote program differentiation*, between and within institutions: differentiation according to cycles (i.e., growth in graduate programs of various sorts), between short and long term programs, between night courses and day courses;
f) *Introduce evaluation* as a major issue throughout the system, and use it as a major instrument in educational planning and financial decision making;
g) *Increase central regulation* over the system operation, if possible without interference with academic autonomy and allowing for greater administrative leeway;
h) *Check enrolment growth*, which is being reduced spontaneously as a consequence of declining population growth rates, low urbanization rates, income decline among middle income groups, and the already full absorption of female demands.

Negotiation over these issues is made quite difficult mainly as a result of two broad factors external to the public higher educational system. On the one hand, the new democratic regimes are often politically weak, and are not willing to risk much political capital in higher education policies when there is a broader and more complex political negotiation taking place. In spite of its large size and visibility, the higher educational system tends to have relatively low priority under the current circumstances, and thus higher educational policy is quite erratic. On the other hand, budgetary restrictions place severe limits to the negotiation power administrators have – i.e., it is difficult to introduce reforms by consensus in the face of drastic budget cuts. Implanting the new may initially imply more, rather than less, money. Furthermore, negotiations are difficult because of the multiplicity of actors, their conflicting views and interests, and often the lack of reliable data and analyses.

Policies regarding public universities are also relevant for the private sector. In particular, when enrolment in public institutions has been checked through quotas and/or entrance examinations, as in Chile and Brazil, the market for private institutions has prospered. Only Chile, and to a lesser degree Colombia, have introduced student fees in public institutions, thus making private institutions more competitive. In contrast, the open admission policy followed by Argentina and Mexico have placed harsher conditions on private sector growth. Decline in perceived quality of public institutions becomes then a crucial issue for the latter. Everywhere, however, private institutions have shown great difficulties in entering some high cost fields of higher education, where public institutions maintain an oligopolistic position. The growth in private sector programs addressed to market

demands in low-cost areas have increased the degree of differentiation between public and private sectors everywhere. A similar differentiation exists *vis-à-vis* graduate programs: public universities concentrate doctorate programs in sciences and humanities, while private universities have expanded their offerings in short terms, professional graduate courses.

Public policies regarding the private sector have lower visibility and are seldom the subject of public debate. The main thrust of current public policies directly addressed to the private sector has been to:

a) Allow *flexible accreditation* of new institutions, thus promoting rapid expansion in their numbers. An easier private institution accreditation policy originated in Brazil and Colombia, was adopted in the 1970s by Mexico and in the 1980s by Chile, and is developing in the 1990s in Argentina. However, voices of caution are being raised now in Chile and elsewhere about the need for closer supervision of private sector institutions and a more careful accreditation policy;
b) Promote *differentiation* within the private sector, either through different accreditation procedures, different supervisory rules, selective direct or indirect financial support, and/or eligibility for support within research policy. However, policies seem to be more efficient when there are explicit rules regarding accreditation for institutions which perform different functions, and also when some functions are eligible for state support (i.e., research);
c) *Control rising fees*, often favoring low-fee (and low quality), private institutions, the ones which absorb a greater proportion of demand;
d) Implicitly recognize the existence of *a profit making sector*, even if it is not accepted by the current legal regulations;
e) *Deregulate* everything else (programs, admission, and the like), except when financial support is involved.

As the papers included in this volume abundantly show, changes in the private sector, which in the past have met serious opposition, are being achieved without major difficulties. Decision making regarding this sector is in the hands of educational authorities, with little interference from other governmental agencies and often with a noticeable lack of interest by Congress. The traditional opposition between public and private universities subsists, but it does not have the virulency of the past. Further research is needed to understand the texture of this now sizeable and heterogeneous private sector; who are the new educational entrepreneurs, how does the market for higher educational services operate, under what conditions can it actually develop quality standards. But even with the information at hand one may expect changes in the near future. Private institutions, on the one hand, are often demanding a new role for the state *vis-à-vis* their operations, i.e., the granting of 'public service' status and therefore some public finance, as takes place in the primary and secondary schools; the lifting of controls over their fees; greater flexibility in their program decisions. These demands are seldom made open, and there is no private sector lobby comparable to that of public universities, although associations of private universities are becoming more influential (i.e., in Brazil).

Educational administrations, on the other hand, are showing growing concern about some of the negative consequences of deregulation, and claim for more strict mechanisms for accreditation and enforcement of academic standards. Although it is clear that the State has a better defined policy regarding the private sector when it does help to support it, in cases such as Chile, and to a lesser extent Brazil, accountability of private sector institutions is also becoming an issue.

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