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The Global Growth of Private Higher Education

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The Growth of the Private Sector in Mexican Higher Education

MEXICO HAS EXPERIENCED A RAPID TRANSITION in its economical, social, cultural, and educational development, changing from rural to urban, from a lack of industry to a technically industrialized country, and lately from a very young and rapidly growing population to a society that has slowed its demographic growth and started to age. In the educational realm, Mexico portrays many of the tensions faced by developing countries—exponential growth at all educational levels, perceived decline in the quality of education, and virtual stagnation of financial support.

Trends in the Higher Education System in Mexico

Demographic, social, and political changes have resulted in three basic trends in Mexican higher education: strong growth in enrollment of the higher education system as a whole; substantial diversification, meaning the emergence of various types of institutions with alternative programs and delivery modes; and a significant increase in the number of private institutions and their share of the national enrollment.

The first trend—dynamic growth in the enrollment of the higher education system as a whole—seems to be the result of aggressive policies for expansion nationwide. The national enrollment in basic education (K–9) went from 10,750,545 students in 1970–1971 to 25,516,150 in 2007–2008, or about

The primary responsibility for developing this chapter was taken by Juan Carlos Silas Casillas.

389,000 new children each year. High school enrollment went from 369,299 students in 1970 to 3,830,042 in 2007–2008, or an average of 91,072 new students each year. In higher education, the situation is outstanding, especially in the *licenciatura* level, the emblematic higher education degree, because it has grown from 252,236 students in 1970–1971 to 2,317,001 in 2007–2008, which represents an annual growth of 24 percent. The expansion in enrollment is also evident in the construction (or refurbishing of schools) and hiring of teaching personnel.

The second trend is the diversification of institutions, delivery modes, and academic programs. It is related to the enrollment increase and is affected by an apparent paradigm shift about the advantages and outcomes of higher education. The main changes are the development of new market-oriented programs in existing public and private institutions and the start of new institutions aimed to respond to the educational (vocational training) needs of professionals in the job market.

The late 1980s and 1990s were particularly distinctive on these issues. Higher education institutions included new disciplines, mostly related to computer science, media communication, and industrial production, while programs such as agronomy or marine sciences and primary sector related programs decreased significantly (Asociación Nacional de Universidades e Instituciones de Educación Superior, 2003b). In addition, nonuniversity higher education institutions mushroomed in both private and public scenarios. Nonuniversity institutions have a highly specialized disciplinary focus and do not have teaching as a core activity but offer some *licenciatura* or graduate degrees. In the private realm, these organizations have programs focused on a particular field (communication sciences, psychology and psychotherapy, dentistry, or gastronomy) and are smaller in size, usually created by families or individual entrepreneurs whose geographical coverage is circumscribed to a specific urban area. They offer programs usually related with the service sector of the economy, at a very low cost of operation and very accommodating conditions for class work. Enrollment in these institutions has increased exponentially, and, according to current projections, the trend is expected to continue.

Diversification is also evident as other types of higher education have appeared, like the two-year degrees *Profesional Asociado* or *Técnico Superior*

Universitario (TSU). The creation of TSU has been recognized as a mechanism for coupling higher education formation with market needs, expecting that technological universities could contribute to the formation of the national human capital, give more options to students who want to continue their studies, and widen the work potential of citizens in underdeveloped economic regions (Villa and Flores-Crespo, 2002).

The third trend, the increase in number of private institutions and their share of the national enrollment, is related to the diversification mentioned above. Statistics from the Ministry of Education (Secretaría de Educación Pública, 2008) show a dramatic increase in enrollment in private institutions. The national total enrollment for private institutions went from 35,160 students in the 1970–1971 school year to 748,935 in 2007–2008, a 2,030 percent growth in thirty-eight years. Taking the available data from the last eighteen years (1990–2008), the total growth in the public subsystem was 669,135 students, compared with 550,728 students in the private subsystem, for a combined total of 1,219,863 new students during this period. Moreover, nearly half (45.1 percent) of these new students enrolled in the private sector.

This strong increase in both public and private sectors has several explanations, but the most important is the tacit inability of public institutions to absorb the huge demand in their classrooms. Despite titanic efforts and the creation of more spaces, growth has evident physical and economic limits. Some sort of “academic entrepreneurship” therefore aims to supply educational services to satisfy a strong social demand that has not been covered by the existing institutions. This gap seems to be tolerated or not adverted by federal and local policymakers (Levy, 2002), as the creation of nonuniversity higher education institutions has been the most common way of development of private education in the world (Kinser and Levy, 2005). This expansion seems to be known, and sometimes advocated, by national governments as well as educational systems, because it enhances the chances of low-income students to enroll in higher education.

A detailed analysis of statistics over the thirty-four years from 1970 to 2004 (Silas Casillas, 2005) showed how the private expansion experienced only two moments of decline: the 1982–1983 and 1987–1988 school years, which were characterized by economical crises that affected the purchasing power of

families. During 1994–1995, the most recent Mexican economical crisis, however, national private enrollment grew by nearly 17,000 students. The remarkable situation in the 1990s is the result of an impressive expansion of low-cost private institutions, which was obviously attractive to many college students and their families.

Frameworks for the Explanation of Growth in Mexico's Private Higher Education

In the last decade of the twentieth century, scholars and policymakers noted the impressive expansion of private higher education and looked for ways to get a deeper understanding of the forces behind its growth. Demographic and budgetary issues are frequently mentioned as two explanations, while other aspects related to the operation of public institutions or the attractiveness of their delivery modes are seldom mentioned.

It has been clear since the first studies in the field (Levy, 1986) that Mexico underwent a demographic expansion during most of the twentieth century. The explosive growth added pressure to public policies and fiscal resources devoted to subjects like health, employment, and education. Children who were born at the end of the first half of the past century by the 1960s and 1970s required available spots for attending all levels of education. During these decades, national enrollments in Latin America expanded at a fairly accelerated pace. Local and national governments tried to accommodate the demand in two main ways: charter more higher education institutions (Mexico chartered twelve state universities in the 1950s, five in the 1960s, and eight in the 1970s) and look for mechanisms to enhance the student intake at the existing universities. Both options had a positive impact in the numerical sphere, but among the secondary effects one could find crowded classrooms, the accelerated hiring of ill-prepared or inexperienced teachers, and the funneling of resources into operation and “classroom issues,” setting aside other important functions of academe. In this sense, massive education has had at least two known effects. First, it stresses the operation of public institutions in both the administrative-operational and the academic fields. Second, under the premise that higher education has been relevant for the social improvement of a narrow elite, lower

socioeconomic groups demand a spot for studying with the expectation that it will provide them with the opportunities for social and economical progress. In general, it is reasonable to state that public universities, in the interest of amplifying the intake of students, admitted cohorts with very heterogeneous academic preparation that can be described as “below expectations.”

Levy’s perspective of wave one (Catholic universities), wave two (elite universities), and wave three (demand-absorbing institutions), permits a smooth analysis of the current situation in Mexico’s private higher education. First-wave institutions did not appear in Mexico as a response to a bad service or as the alternative to a perception of declining quality. They started mainly because religious leaders pursue the objective of “forming youth in the religious values” at all school levels and seize the opportunity to establish higher education institutions. Following the same idea, these institutions’ rhetoric about growth in enrollment and infrastructure relates more to the concept of accomplishing their evangelical mission than achieving efficiency in their operation or solid financial status.

Elite institutions, or second-wave institutions, are emblematic in Mexican private higher education. Some have international recognition, and most of them play active roles in influencing public opinion. According to Levy (1986), these institutions arose mainly as the response to the perception of declining quality of public institutions and their failure to serve as a factor of social differentiation. Affluent groups created or financed the creation of such institutions as an alternative to public education.

Third-wave institutions, better known as “demand-absorbing” institutions, focus on providing schooling opportunities to diverse groups such as low socioeconomic status college-age students or young adults who are already working but did not have the opportunity to attend college at the expected age (eighteen to twenty-three years). Based on demographic data and information about higher education, it is evident that the demand has been unsatisfied for decades and that public, religious, and elite universities do not have the financial, infrastructural, or academic capacity to take on the mission of satisfying such a huge demand.

Balán and Garcia de Fanelli (1997) created a variation of Levy’s typology (1986) and argued that private higher education can be split in two groups: consolidated/elite universities and independent institutions. The first category

is used to describe the big universities and technological institutes that appeared in Mexico from the 1930s to 1960s. These institutions are those that enroll more than fifteen hundred students and have full-time faculty and advanced infrastructure. Less than 90 percent of their income depends on student fees, and they have restrictive admission policies. In contrast, Balán and García de Fanelli (1997) characterize independent institutions as mainly depending on students' fees and offering vocational programs oriented toward the service sector (accountancy, administration, education). These institutions are attractive to students looking for a rapid insertion in the job market.

The Demand-Absorbing Subsector as a Powerful Engine of Private Growth

Rapid growth in the number of demand-absorbing institutions and their share of national enrollment seems to correspond with the situation in many other developing countries such as India, the Philippines, Turkey, Russia, and China. This phenomenon can be partially explained by the apparent national need for providing academic credentials to the population, the unalterable need for providing new generations with higher education, and the tacit governmental incapacity for financing such activities beyond its current levels.

Two additional factors for the Mexican case are economic instability and the “shrinkage” of the economically affluent group. During the 1980s and 1990s, it is noticeable that elite and religious universities depended on economic, social, and political stability for growth and development; but recurrent crises have interfered. It has been exactly in these two decades and the first years of the twenty-first century when demand-absorbing institutions have been consistently gaining visibility in such a way that they currently represent more than half the private enrollment in Mexico. On the second factor, the Mexican high-income echelon is not growing, limiting with it the possibility for an important expansion in the enrollment of elite and religious institutions. In this sense, it seems as though first- and second-wave institutions, to increase or keep their current enrollment levels, have to direct their attention to societal groups originally outside their scope: less affluent groups and students from not-overtly-religious backgrounds. To do so, elite institutions will