

THE LATIN AMERICAN PROGRAM



Number 235

HIGHER EDUCATION REFORM
IN LATIN AMERICA

Jorge Balán
Rollin Kent
Juan Carlos Navarro

WORKING PAPER SERIES



WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS
WASHINGTON, DC 20560



Number 235

**HIGHER EDUCATION REFORM
IN LATIN AMERICA**

Jorge Balán
Rollin Kent
Juan Carlos Navarro

**"Higher Education Policies in Argentina in the 1990s:
Regulation, Coordination, and Autonomy"**

Jorge Balán

Senior Researcher, Centro de Estudios de Estado y Sociedad (CEDES)
and Executive Director, National Commission for University Evaluation and
Accreditation, Buenos Aires, Argentina

"Higher Education Reform in Mexico: The Evolving Agenda in the 1990s"

Rollin Kent

Professor of Education, Departamento de Investigaciones Educativas, Centro de
Investigación y Estudios Avanzados, México, D.F.

"Higher Education in Venezuela: Issues and Prospects for Reform"

Juan Carlos Navarro

Director of the Center for Public Policy, Instituto de Estudios Superiores de
Administración (IESA), Caracas, Venezuela

Latin American Program
Woodrow Wilson International Center for Scholars

Copyright February 1998

This publication is one of a series of Working Papers of the Latin American Program of the Woodrow Wilson International Center for Scholars. The series includes papers in the humanities and social sciences from Program fellows, guest scholars, workshops, colloquia, and conferences. The series aims to extend the Program's discussions to a wider community throughout the Americas, to help authors obtain timely criticism of work in progress, and to provide, directly or indirectly, scholarly and intellectual context for contemporary policy concerns.

Single copies of Working Papers may be obtained without charge by writing to:

Latin American Program Working Papers
The Woodrow Wilson Center
1000 Jefferson Drive, S.W.
Washington, D.C. 20560

The Woodrow Wilson International Center for Scholars was created by Congress in 1968 as a "living institution expressing the ideals and concerns of Woodrow Wilson, symbolizing and strengthening the fruitful relations between the world of learning and the world of public affairs." The Center's Latin American Program was established in 1977.

LATIN AMERICAN PROGRAM STAFF

Joseph S. Tulchin, Director
Cynthia Arnson, Senior Program Associate
Allison M. Garland, Program Associate
Ralph H. Espach, Research Assistant
Michelle Granson, Program Assistant
Javier J. Icaza, Administrative Assistant

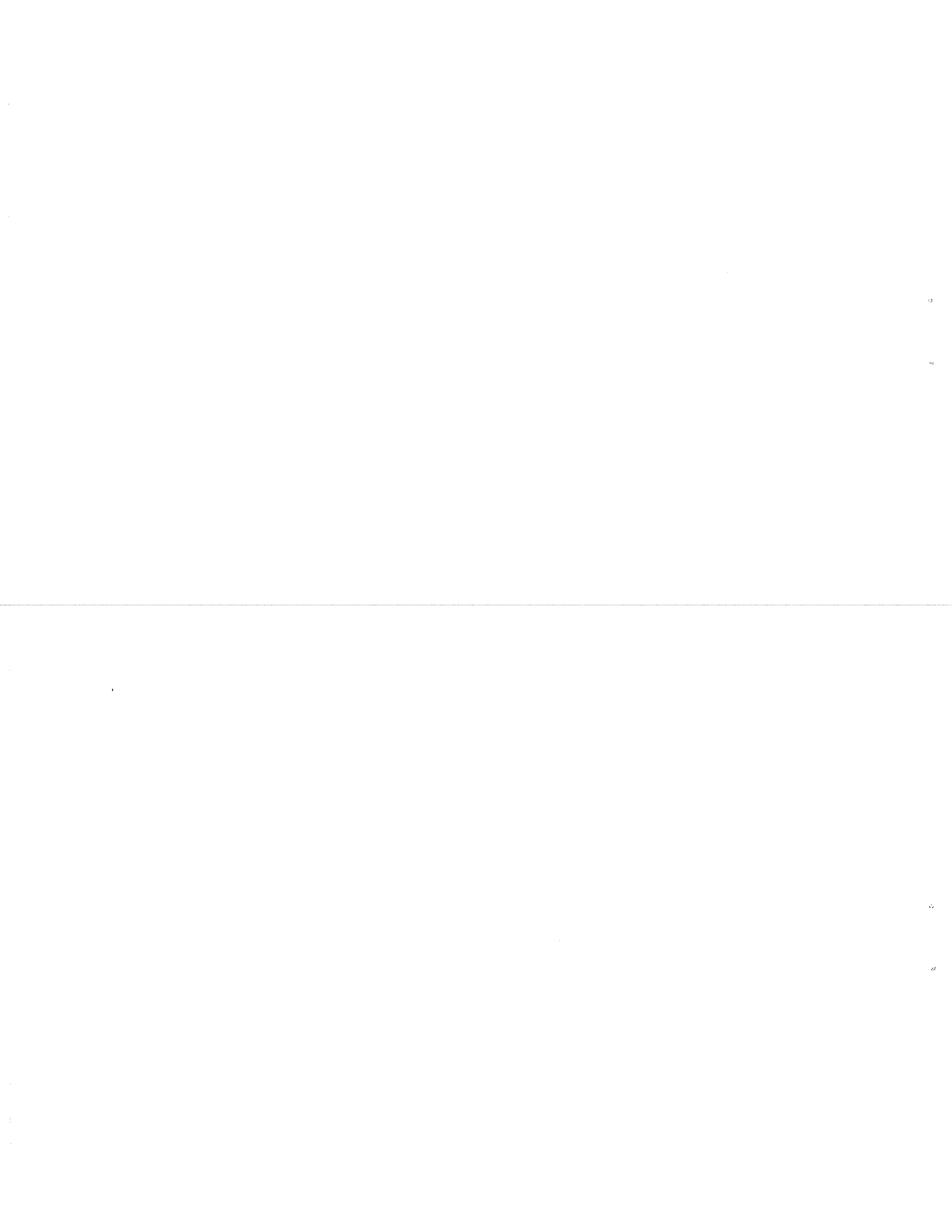


Table of Contents

Preface

**Higher Education Policies in Argentina in the 1990s:
Regulation, Coordination, and Autonomy**

Jorge Balan

1

**Higher Education Reform in Mexico:
The Evolving Agenda in the 1990s**

Rollin Kent

22

"Higher Education in Venezuela: Issues and Prospects for Reform"

Juan Carlos Navarro

47

Preface

The papers in this publication were presented at the seminar, "Higher Education Reform in Latin America," held at the Wilson Center on November 5, 1996. The Latin American Program wishes to express its gratitude to Jorge Balán, Rollin Kent, and Juan Carlos Navarro for their participation in the session as well as for their contribution to our Working Paper series. Since the seminar, Jorge Balán has joined the New York office of the Ford Foundation as a Program Officer and Juan Carlos Navarro has taken leave from IESA to work in the Social Programs Division of the Inter-American Development Bank in Washington, DC. The Program would also like to thank Jeffrey Puryear, Senior Fellow at the Inter-American Dialogue, who commented on the three paper presentations at the seminar.

Higher Education Policies in Argentina in the 1990s: Regulation, Coordination, and Autonomy

Jorge Balán
Centro de Estudios de Estado y Sociedad
Buenos Aires, Argentina

I. Introduction

Argentina was the first country in Latin America, and one of the first in the world, to broaden massively access to higher education. Enrollment rates at universities and other post-secondary institutions grew rapidly throughout this century, largely due to changes introduced during three distinct periods. Following demands voiced by the *reformista* movement of 1918, changes in university government and admission policy were implemented during the 1920s. They responded to the political demands of the emerging middle class for easier admission into the professional schools of the national universities. A second wave of institutional change was implemented during the Peronist government from 1946 through 1955. University autonomy was curtailed and the central government imposed an open admission policy throughout the system. Finally, the most recent expansion in enrollments took place during the second half of the 1980s, when the government restored autonomy to the universities but approved an open admission and tuition free policy for all national universities.

Democratically elected governments during these three periods carried out “populist” policies largely inspired by the need to accommodate the educational demands of large segments of the population. These policies were immediately followed by other kinds of reforms, largely inspired as reactions to the dysfunctional consequences of rapid enrollment growth. However, for the first time, the recent

recent years, however, monetary stability and the national government's heightened interest in university affairs are creating a new mood with respect to university reform (Balán 1993).

The financing of higher education--and indeed of basic education--is far from adequate, and there is little possibility of a significant increase in the short and medium term, although an upward trend in government funding has accompanied price stability and economic growth in the last few years (de Imaz et al. 1993). It is now possible to ask how the institutions themselves can solve their multiple management problems and set out to improve the quality, efficiency, and relevance of their educational and scientific performance. Can universities independently mobilize their many academic and administrative talents to make the changes needed to improve academic excellence, competitiveness, and relevance in the professional training and scientific and humanistic research they conduct? Or are external changes needed to coordinate institutions and regulate their educational programs?

International experience in recent decades includes numerous reform efforts initiated by central authorities, with varying degrees of cooperation from institutions and academic communities in adopting innovations (Neave and van Vught 1991). Governments, often under pressure from important sectors of society (business associations and politicians, in addition to consumers and taxpayers), have generated wide-ranging reform programs in higher education based on sometimes radical changes in the linkages between the institutions and the state. This has been particularly true in Western Europe, where the public sector weighs heavily in institutional management and financing of the dominant model of higher

education. Currently, similar plans have been announced by many Latin American governments, where typically state university institutions enjoy greater political autonomy (i.e., self-government) than their European counterparts.

This essay will discuss a few of the inherited characteristics of Argentine higher education that are inadequate for the current demands of international competitiveness. I will begin with an assessment made when the 1960s reforms were implemented to emphasize how and why its continuation in the 1990s, vis-à-vis a much larger and more complex institutional system necessarily requires a change in relations between the state and the universities to enable the former to play a different role in coordination of the system and reform of the institutional environment. This change is essential for influencing the overall context in which autonomous universities, both public and private, make and implement their decisions.

II. The 1960s reform program

In 1965 and 1966, experts from the Organization for Economic Cooperation and Development (OECD), within the framework of the Argentine National Development Council (CONADE) and with financing from the Ford Foundation, carried out an exhaustive survey of the Argentine educational system regarding the needs for qualified human resources for the country's future development (Argentine Republic 1968). A key chapter in the study was devoted to an analysis of higher education, in particular at the eight national universities (Buenos Aires, La Plata, Córdoba, Litoral, Tucumán, Cuyo, Nordeste, and Sur), with some notes about the then recently created alternatives--the National Technological University, the non-university higher education institutions, and private universities.

The overview sketched by those experts is surprisingly familiar today. Understanding the chronic nature of some problems in higher education is fundamental in order to avoid attributing them, in an almost Manichean way, to the effects of certain perverse policies. We will consider some of the key points in that report.

Enrollment had grown at an extraordinary pace from 1947 to 1954, 14.8 percent annually, the highest rate in the secular history of the expansion of the system. The enrollment growth rate had fallen sharply after that, although it continued to exceed population growth rates. This expansion was a direct result of growth in the number of secondary school graduates and their high rate of enrollment in higher education. The increase was possible because admission, formerly limited to academic high school graduates, was expanded to include graduates of vocational schools and quotas and entrance exams were eliminated: three out of four high school graduates enrolled in some institute of higher learning, the vast majority in the national universities, with no need to pass any qualifying examination.

In 1956 different schools of the University of Buenos Aires introduced entrance exams, which were later adopted by other universities throughout the country. In 1962, for instance, the University of Buenos Aires received sixteen thousand applications (a thousand more than in 1953), and admitted only 38 percent of them. Entry restrictions encouraged applicants to favor other alternatives: a growing percentage of students were absorbed by the National Technological University (first known as the Workers' University, primarily a technological institute geared to professional training), and private universities, authorized after 1958, represented a new choice for many students. Enrollment in non-university

higher educational institutions, like teacher training colleges, grew faster than university enrollment. A process of institutional diversification was under way that suggested the system had grown up in pace with the innovations being introduced in advanced countries.

Argentina during the 1960s had among the highest rates of higher education enrollment in the world, above those of the European countries. The authors of the OECD report compared Argentine figures with British data: Great Britain had few students and many graduates relative to the population; the opposite occurred in Argentina, where generous access diluted quality, resulting in high drop-out rates and few graduates. The percentage of graduates ranged from 10 to 25 percent of the number of students enrolled eight years earlier, although programs of study theoretically lasted four to six years. A survey of three universities (Córdoba, La Plata, and Litoral) revealed that more than half of the enrolled students had not taken any exams during a three-year period. Figures from the five major universities showed that the percentage of graduates who received their degree during the period specified by their programs was never more than 30 percent of total enrollment; approximately half took three or more years beyond what is formally required to graduate.

The report attributed these facts to two major causes. First, there were many "phantom" students, who only registered for or attended a few classes, then withdrew or switched department or university but continued to appear in the rolls. Having a university education was very attractive, but the lack of remedial courses or intermediate degree programs concentrated enrollment in lengthy programs beyond the capabilities of many students. Second, the vast majority of students were part-time. The norm (except in a few schools, like medicine and engineering) was to

combine study with some other occupation. While most such cases reflected economic necessity (there were hardly any scholarships), this also occurred in families with high incomes. It was, apparently, a lifestyle fostered by student culture, fitting in amidst the laxity of the study programs and the lack of incentives to devote oneself exclusively to study. Moreover, a majority of professors worked only part-time at the university; their real jobs, except in a few of the new programs, were in their professional offices and businesses.

Public universities had made strides in democratization in the form of access that was then frustrated by limited revenues and low compensation for an incomplete degree. However, they were the central institutions in the socialization of the vast middle sectors as they entered into adult life, politics, and the work world, whether during the course of their studies or upon graduation, which often failed to produce a fundamental change in their career paths.

The changes then introduced by some national universities, in particular the prestigious University of Buenos Aires--such as new degrees in scientific areas, departmental organization by disciplines, enhanced professional training for teaching and the possibility of full-time research, development of graduate programs--reached only a small sector within the university system. The dominant model remained that of professional schools with lengthy degree programs, part-time professors, students who combined studies with other work, scarce resources, and lack of incentives for research, which tended to develop institutionally insulated from teaching. There was a general awareness of the shortcomings of this university system, which were assessed and quantified in the report. It was clear that a reasonably broad-based investment and reform plan would not be possible

without alternatives, within or outside the public universities, capable of absorbing the growing demand for higher education. In the absence of such an initiative, the public university would supposedly have both missions at the same time.

As already stated, some alternatives to the comprehensive public university emerged at this time, but they absorbed only part of the growing demand, and on the whole introduced few innovations in the supply: they did not create shorter programs for professional training, nor did they increase the amount of time dedicated by students or teachers. In addition, the loss of quality in secondary education was not offset by the creation of a basic level of studies before the professional, as was typical in the U.S. system. The Argentine university was inspired by the European model, which assumed that basic general education was acquired in preparatory schools (to prepare for university); but compared to their European counterparts, Argentine secondary schools had very low levels of academic performance. The high attrition as cohorts advanced through the university reflected this phenomenon.

The innovative groups seeking renewal in the national universities in the 1960s recognized the crucial importance of distinguishing among levels of academic study and focused on the development of graduate programs. This was perhaps the most difficult and costly innovation; linked with scientific and humanistic research, it allowed research to move to the center of university life, institutionalizing teaching in higher education as a professional course of study (instead of being a part-time activity of people with other professions) and laying the groundwork for reform in undergraduate teaching. Although the Argentine higher education system in the mid-1960s outwardly proclaimed its public vocation to serve national

development needs--which were often identified as exclusively public sector needs--system supply and student demand were channeled almost exclusively to professional training geared to the private market.

The university modernization program was not backed by a stable economy or a financially strong government. Argentine growth displayed marked fluctuations and successive fiscal crises that affected the entire public sector; education, including higher education, was especially hard hit. System reforms presupposed an improvement in public finances, as well as the political will favorable to public universities. The 1966 military coup brought the former but not the latter: it meant a dramatic end to this program of change from within, severely limiting academic autonomy and these institutions' capacity for self-management.

III. Expansion during the 1980s: autonomy without coordination

A few months after the inauguration of the Constitutional authorities in late 1983, the Argentine Congress passed a law establishing a one-year period for normalization of all the national universities, restoring the model of autonomy and self-government by collegiate bodies with representatives elected by tenured professors, alumni, and students, who choose the executive officers with no intervention from the national authorities.

The climate of political participation, channeled by the two majority parties, immediately brought pressure to reject policies set by the military government, which had been brought down. An open admissions policy was established at all public universities; their schools could no longer enforce the quota system or academically irrelevant exams the military authorities had administered merely to

limit the number of students. The immediate result was a large increase in the number of applicants admitted at all universities nationwide, which made it necessary to hire more teaching staff and increase investment in classrooms.

Another overall policy of the public university system was free undergraduate study. Although it had been common to set moderate fees at different times, a tuition-free policy was adopted in contrast to the military government's policy. As a result, university budgets became totally dependent on payments from the national government. Programs undertaken since 1987 to allow institutions to increase their non-budgetary income have had limited success until now.

After the universities became fully autonomous and self-governed, the budget became the core policy issue and the main point of university conflict with the government (Balán 1993). Financing for all the national universities increased between 1984 and 1987 (see Table 1), although not on a per-student basis, but quickly found a ceiling in the severe constraints imposed on federal spending by the fiscal crisis of the state. In the best of cases the increases made it possible to expand hiring but did not allow for salary hikes, which had long been promised, nor did they leave any funds for investment. In addition, the financing of each institution determined by Congress in the Budget Law, which largely reflected the growth in the number of students, was also dependent upon the pressure brought to bear by representatives to favor one university or another. The institutional innovations proposed lacked incentives, and the funds needed for implementation were not available.

Academic and administrative reforms, and program innovation in general, were minimal throughout the 1980s. The crisis in the traditional model of the 1960s was aggravated by open admissions and budgetary constraints and resulted in a high student drop-out rate and lack of professionalization in most of the teaching staffs made up of part-time personnel with no graduate-level training. The continued concentration of enrollment in old and new long-term professional programs of study was further aggravated by the relative decline in the number of students in scientific and technological areas, which are more demanding and costlier than popular programs in soft areas. This suggests that the response of higher education to the demands of economic competitiveness, strongly voiced by the economic reformists in government and elsewhere, was totally inadequate.

In this context, the government undertook few initiatives until recently. The coordinating mechanisms, the councils of public and private university presidents, were only consultative; their decisions were not binding on the participating universities. Until 1993, the ministry of education had only an archaic structure for dealing with the universities and no capability to oversee results. Until 1989, the government ignored demands to authorize any new institutions, public or private, protecting the already-existing private institutions from competition and expanding still further the giant public sector universities, which increased their programs without becoming accountable for academic quality or economic feasibility.

One sign of the worsening of the crisis, which at the same time makes it difficult to obtain quantitative indicators of its scope, was the interruption in the availability of university statistics in 1987. After that, any initiative to coordinate the system or plan the institutions' teaching tasks ran up against the

insurmountable barrier of the lack of information. Some censuses of students and teaching staff in the late 1980s suggest that the long-term trends continued, taking their toll on quality.

The complex national university system was thus left without any coordinating body, at the same time as the institutions that constituted it found it impossible to make substantive decisions on their educational and scientific plans. Restoration of the reformist ideals of the 1960s--professionalization of teaching staff, strengthening the scientific disciplines, and developing graduate-level studies--was limited to empty rhetoric with no financial or political potential for implementation. The situation could be described as institutional paralysis, an inability to take initiative on the part of the actors (institutions, government) who entered into repeated conflicts around the budget problem.

IV. Reform in the relationship between the government and the universities

The Argentine higher education system grew in terms of both enrollment and number of institutions. The number of students in the higher education system doubled from 1980 to 1994; as of 1994, there were just over one million students, 70 percent of whom were enrolled in the universities (Table 2).

Beginning in 1989, moreover, the government responded favorably to pressures to authorize new institutions. Congress was sensitive to municipal and provincial interests pressuring for new universities to be paid for out of the federal budget; it passed laws creating eight national universities in a matter of years. In all cases both the majority and minority parties voted in favor of the proposals. At the same time, the Executive opened the gates to private demands, authorizing approximately twenty new institutions in a few short years. Similarly, the non-university higher education sector, under the authority of the provincial and municipal governments, also saw rapid growth in the number of institutions. As a

result of these changes, in 1994 the higher education system included more than eighty universities, more than half of them private, and over sixteen hundred non-university institutes of higher learning distributed throughout the country.

Even setting aside the vast world of non-university institutions of higher learning, the eighty public and private universities constitute a heterogeneous mix of educational settings. Despite intersectoral differences, the notion of system generally applied today to take in the set of post-secondary teaching institutions denotes recognition of the many interdependent and necessary interactions among the different sectors. This system is weakly integrated due to the lack of overall coordination mechanisms and the ineffectiveness of many of the existing mechanisms. The old, inefficient bureaucratic control mechanisms cannot possibly be applied by a deteriorated state apparatus to such a complex set of institutions. The associations of public and private universities have specialized in negotiating with the government, and have assumed only a few coordinating functions. Competition among institutions for resources, students, professors, and prestige is very limited since there is little transparency, arbitrary budget allocations, and severe limitations on autonomy.

In effect, the institutions often find their latitude in decision making constrained by bureaucratic forms of control that deprive them of financial autonomy. Until recently, for example, they could not decide freely on salary or hiring policies, policies to expand their own sources of funding or how to invest such funds, and even today they make limited use of any newly acquired flexibility. Decision making in the public universities relies upon the operation of collegiate bodies that are diverse and decentralized, with no mechanisms in place to foster institutional responsibility. In the larger universities coordination at the higher

levels of academic authority is very limited by the powerful professional schools. The complexity and variety of disciplines gives greater legitimacy to decision-making efforts at the level of the operational units. Their autonomy with respect to the office of the president is clearly seen in how they are linked with the productive sector, one of the few areas where major innovations were made in the late 1980s. The efforts of university presidents to coordinate activities for the transfer of technology and delivery of services from the large universities whose units have won their own outside recognition have generally met with little success. Furthermore, the programs developed by many academic divisions or schools within universities to increase their own revenues by providing services, with no coordination from above, has increased institutional dispersion while yielding scant academic benefits.

The best evidence of the coordination crisis in the system is in the dizzying array of degrees and diplomas now being offered. The national universities are free to create new programs of study, as they enjoy academic autonomy, but they often commit uncertain resources and give no consideration to possible overlaps with other public universities. Programs are analyzed and approved by the top collegiate bodies of each university and then reported to the Ministry of Culture and Education. In theory, the private universities require prior approval, but in fact that often occurs *ex-post*, when the program of study has already begun to operate, or it merely results in red tape without a clear evaluation of the institution's capability to offer the new programs. Although bureaucratic controls are more stringent in the case of academic degrees that automatically qualify the holder for regulated professions (such as medicine, law, or civil engineering), they have no capability whatsoever to guarantee the professional competence of graduates.

The autonomy of the national universities to determine their course offerings, lax state regulation of private universities, and the major expansion of institutions of higher learning, especially private ones, since the early 1990s has led to a doubling in the number of academic degrees awarded in recent years (García de Fanelli and Balán 1994). The university subsystem currently has more than two thousand undergraduate programs of study. Approximately one-fourth of the degrees created have been the result of institutional expansion. It is likely that some of the new programs will end up disappearing, insofar as there is no significant demand, which poses serious risks to enrolled students. The proliferation of certain degrees, especially in new programs of study, may reflect not a real diversification of supply but a merely artificial terminological distinction in certain subjects; this is particularly the case with degrees related to management, computer science, and social communication, especially in the private sector.

In 1993 the national government created the special *Secretaría de Políticas Universitaria*--SPU--within the ministry of education in charge of the coordination and regulation of public and private universities. The SPU very soon produced a critical diagnosis of the system and proposed several interrelated objectives to address the issues of internal inefficiency, low overall quality, rigid funding of public institutions unrelated to performance, and poor management. It initiated experiments with institutional and program evaluation and elaborated a new legal framework to improve the central government's ability to regulate and coordinate the system. In 1994 the government sent a bill to Congress that would have introduced some radical changes. After heated debate and many changes, the new Higher Education Law was passed in August 1995.

The most innovative features of the new law have to do with regulation and coordination of the system. For these purposes, the law largely relies on two bodies. The *Consejo de Universidades* (Universities Council) represents public and private universities, with a strong regional component, and has a key advisory role. The *Comisión Nacional de Evaluación y Acreditación Universitaria*, or CONEAU (National Commission for University Evaluation and Accreditation) is an autonomous body of twelve members who are appointed by the President but nominated by Congress (six), by the national university presidents (three), by the private universities (one), by the National Education Academy (one), and by the Ministry of Education (one).

CONEAU has three distinct functions. First, it implements mandatory periodical evaluations of all university institutions. The stated purpose is quality enhancement, but it is expected that results, which are public, may serve to guide government policies as well as private decisions (i.e., by students). There is little previous experience with institutional evaluation in Argentina, and thus expectations are very high and conflictive among institutions and the government. Although mandatory, the law does not specify any specific consequences arising from a poor evaluation. Second, CONEAU is required to evaluate all new university projects before they are implemented. Congress may still create new public universities by law, but their academic and administrative projects have to undergo careful scrutiny by external evaluators in order to be authorized to enroll students. Private universities, authorized by presidential decree, also have to submit their projects for evaluation by CONEAU. And third, the new law mandates quality assurance (labeled accreditation by this law) of selected professional undergraduate and all graduate programs. The second and third functions of CONEAU bear directly upon institutional and program proliferation, an

acknowledged evil of the Argentine system, while it is expected that institutional evaluations might serve to stimulate universities to become more selective and attempt to increase internal efficiency.

CONEAU is thus an evaluating commission acting as a regulating agency vis-à-vis university education. Located in between the national government and the university institutions, with some independence from both, the Commission has authority to carry out program and institutional assessments, which has great consequences for individual institutions and for the system as a whole. These assessments, however, have to conform to patterns that are negotiated with the universities: for instance, the Universities Council sets the standards for program accreditation; the external institutional evaluations are defined only as complementary to self-studies that are to be carried out in terms of the mission and objectives autonomously decided on by each institution. Also, quality assessment and quality assurance as carried out by CONEAU are delivered first to the national government, clearly a primary user (and financial sponsor) for the agency.

It is too early to tell whether CONEAU will succeed or not in performing well the complex and varied functions mandated by law. As an organizational instrument it clearly reflects a new policy environment to deal with some chronic problems of the Argentine higher education system. Yet, it seems clear that regulation by an autonomous agency, and coordination by consensus achieved at the Council of Universities, may have limited effects upon the system unless accompanied by widespread reform, including in the budgeting process. To date, Congress has refused to grant greater authority to the Executive (and thus the central educational authorities) to negotiate university matters with the autonomous institutions.

References

- Argentine Republic. Ministerio de Cultura y Educación. Secretaría de Políticas Universitarias. 1994. *Estadísticas básicas de universidades nacionales; Años 1982/1992*. Buenos Aires: MCE.
- _____. 1996. *Estadísticas básicas de Universidades privadas; Años 1985-1994*. Buenos Aires: MCE.
- Argentine Republic. Ministerio de Cultura y Educación. Secretaría de Políticas Universitarias. Consejo Interuniversitario Nacional e Instituto Nacional de Estadística y Censos. 1995. *Censo de estudiantes de universidades nacionales 1994; Resultados definitivos; Totales por universidad*. Serie A No. 1. Buenos Aires: MCE.
- _____. 1995. *Censo de estudiantes de universidades nacionales 1994; Resultados definitivos; Totales por rama de estudio y disciplina*. Serie B No. 1. Buenos Aires: MCE.
- _____. 1996. *Censo de estudiantes de universidades nacionales 1994; Resultados definitivos; Totales por carreras y universidad*. Serie C No. 1. Buenos Aires: MCE.
- Argentine Republic. Ministerio de Cultura y Educación. Secretaría de Programación y Evaluación Educativa. Dirección General Red Federal de Información Educativa. 1995. *Censo nacional de docentes y establecimientos educativos '94; Informe I; Resultados provisionarios*. Buenos Aires: MCE.
- Argentine Republic. Presidencia de la Nación. Secretaría del Consejo Nacional de Desarrollo. 1968. *Educación, recursos humanos y desarrollo económico-social; Situación presente y necesidades futuras*. Tomo II. Serie C No. 73. Buenos Aires: CONADE. 33-57.
- Balán, Jorge. 1992. "Argentina." In Burton Clark and Guy Neave, eds., *The Encyclopedia of Higher Education*, 19-29. Volume 1. Oxford: Pergamon Press.
- _____. 1993. "Políticas de financiamiento y gobierno de las universidades nacionales bajo un régimen democrático: Argentina 1983-1992." In Hernán Courard, ed., *Políticas comparadas de educación superior en América Latina*, 131-184. Santiago (Chile): FLASCO.
- De Imaz, José Luis; Juan Carlos Auernheimer; María Nicholson and Antonio Paz. 1993. *Informe blanco sobre el sistema educativo argentino*. Buenos Aires: Fundación Banco de Boston.

García de Fanelli, Ana M. and Jorge Balán. 1994. *Expansión de la oferta universitaria: Nuevas instituciones, nuevos programas*. Documento CEDES 106. Buenos Aires: Centro de Estudios de Estado y Sociedad.

Mignone, Emilio Fermín. 1995. "Educación en los años 90: El desafío de la calidad, la pertinencia, la eficiencia y la equidad." *Reflexiones para la acción educativa; Incorporaciones, presentaciones y patronos., (1993-1994)*. Buenos Aires: Academia Nacional de Educación.

Neave, Guy and Frans A. van Vught, eds. 1991. *Prometheus Bound; The changing relationship between Government and higher education in Europe*. Oxford: Pergamon Press.

Table 1. Republic of Argentina, 1972-1995: Credits from the national budget to national universities, and numbers of students at those universities.

Year	Budget				Number of Students	Budget Per Student
	In Current Money	1994 Pesos	Period	Change		
1972	1,381,259	927,647,451	1973-72	31.89%	245,789 ^a	3,774
1973	2,863,943	1,223,450,696	1974-73	19.74%	312,110 ^a	3,920
1974	4,215,382	1,464,999,456	1975-74	-8.87%	417,876 ^b	3,506
1975	10,975,787	1,335,092,237	1976-75	-46.68%	447,380 ^b	2,984
1976	32,746,922	711,884,091	1977-76	-0.23%	461,187 ^b	1,544
1977	87,555,816	710,264,888	1978-77	33.43%	407,125 ^b	1,745
1978	310,571,960	947,672,232	1979-78	3.53%	402,422 ^b	2,355
1979	823,360,746	981,096,018	1980-79	22.50%	397,643 ^b	2,467
1980	1,931,160,242	1,201,807,310	1981-80	-11.31%	302,110 ^b	3,978
1981	3,533,522,083	1,065,835,426	1982-81	-27.09%	301,085 ^b	3,540
1982	7,518,206,000	777,085,390	1983-82	38.79%	318,299 ^c	2,441
1983	4,682,570	1,078,544,071	1984-83	3.22%	337,998 ^c	3,191
1984	34,367,691	1,113,258,611	1985-84	-5.44%	443,441 ^c	2,510
1985	250,022,778	1,052,650,668	1986-85	0.52%	524,590 ^c	2,007
1986	455,403,313	1,058,077,001	1987-86	30.70%	581,813 ^c	1,819
1987	1,359,400	1,382,926,820	1988-87	-4.58%	618,651 ^c	2,235
1988	6,029,775	1,319,556,968	1989-88	-25.81%	652,997 ^c	2,021
1989	146,856,238	979,035,016	1990-89	-3.04%	661,315 ^c	1,480
1990	3,066,280,688	949,267,351	1991-90	2.80%	679,403 ^c	1,397
1991	7,734,689	975,839,615	1992-91	19.69%	681,990 ^c	1,431
1992	1,074,017,092	1,168,023,346	1993-92	8.12%	699,293 ^c	1,670
1993	1,233,000,000	1,262,817,219	1994-93	10.54%	657,545 ^d	1,921
1994	1,395,958,000	1,395,958,000	1995-94	7.57%	615,796 ^e	2,267
1995	1,501,607,000	1,501,607,000	1995-90	58.19%	574,048 ^f	2,616

Current monetary units: 1972-1982: thousands of pesos, law 18,188; 1983-1984: thousands of Argentine pesos; 1985-1986: australs; 1987-1990: thousands of australs; 1991: millions of australs; 1992-1995: pesos. Series of students:

- a. Number of students according to the Departamento de Estadísticas del Ministerio de Educación.
- b. Number of students according to the Consejo de Rectores de Universidades Nacionales.
- c. Number of students according to *Estadísticas básicas de universidades nacionales; Años 1982/1992* (Buenos Aires: MCE, 1994).
- d. Interpolated number of students.
- e. Number of students covered in census.
- f. Extrapolated number of students.

Sources: Secretaría de Hacienda (Treasury Ministry), budget laws, and the Ministerio de Cultura y Educación.

Table 2. Republic of Argentina, 1994: Number of establishments and students in the higher education system, by sector.

Regime	University	Non-University	Total
Establishment			
Official	National: 31	956	992
	Provincial: 5		
Private	36	693	729
Total	72	1.649	1.721
Students			
Official	National: 615.796	235.089	853.488
	Provincial: 2.603		
Private	124.749	93.983	218.732
Total	743.148	329.072	1.072.220

Source: Partial results from the Censo Nacional de Docentes y Establecimientos Educativos, 1994.
Buenos Aires: Ministerio de Cultura y Educación, 1995.

Higher Education Reform in Mexico: The Evolving Agenda in the 1990s

Rollin Kent
Departamento de Investigaciones Educativas
Centro de Investigación y Estudios Avanzados
México, D.F.

Introduction

The Mexican public university had been successful in its own terms for years, as long as it was an elite institution training professionals and national leaders for the political system, and as long as the economy was a closed system that did not require the production of advanced knowledge. However, these conditions changed in the 1970s and 1980s. First, as a result of demographic growth, universities were overwhelmed with non-elite students and young, untrained professors. This was followed by politicization and bureaucratization and increasing governance problems. When the external economic shock came, the universities were not able to adapt creatively. As in the rest of Latin America, the Mexican economy has experienced fifteen years of external shocks; throughout this period bad practice became entrenched at the public universities. Protected as they were from competition, they mobilized politically to defend their niche. As this happened, social demand shifted, which contributed to the emergence of the private sector in higher education and lessened the monopoly of the public university model.

Although leaders of public universities did not understand this shift as an expression of public sector failure, it had become clear to policy makers in the late 1980s that higher education in Mexico had reached a critical juncture and that changes were necessary to meet substantive goals of quality and effectiveness. A high ranking official of the incoming Salinas administration in 1989 stated:

Very few Mexicans are satisfied with the current situation of higher education. Most demand better quality and more ample coverage. Complaints come from inside and outside the education sector. They differ only in how they are expressed but coincide around essential issues: universities must understand and attend to the demands society places on them. Briefly put, the effectiveness of higher education institutions is in doubt (Gago 1989).

The notion of *modernization* became commonly applied to the language of educational reform. Although the term carried an aura of glamour associated with contributing to economic competitiveness and high-level research and development, for the most part it meant that institutions were required to develop the capacity to carry out their educational mission at least at a minimally effective level.

Institutional actors--rectors, academic leaders, unions--attributed universities' problems to the funding restrictions of the "lost decade." They demanded essentially that previous funding levels be reached again without changing the basic modus operandi of federal subsidies and institutional practice. However, for policy makers, modernizing higher education meant something more than generous funding. At the very least, it had to unravel the problems created by unregulated expansion in the 1970s and fiscal crisis without reform in the 1980s. In the critical debates of the period, some said that the higher education system as a whole had become unmanageable, not because of its size (although intense growth did occur in the 1970s) but because the crisis of the 1980s had revealed public institutions' incapacity to respond creatively to financial uncertainty, political turbulence, and inefficient management.

This is certainly part of the truth. Demand-led expansion had tripled national enrollment in one decade, generating more than forty public universities, more than one hundred public technological institutes, and almost four hundred private

institutions by the mid-1990s. This process of institutional differentiation occurred reactively, in response to student demand and political expediency. When demand stopped growing and public funding stagnated in the 1980s, the contradictions inherent in the structure of public institutions became painfully visible. One effect was that private institutions absorbed the elites in flight from public universities (Levy 1986).

Analysts of higher education and policy makers in some quarters pointed out that there were serious problems in the regulatory environment itself and the very structure of the system. Brunner et al. (1994) stated that public institutions and governments in Latin America were caught in a trap that did not allow institutions to increase their quality and effectiveness nor did it permit governments to develop a substantive policy. This trap consisted of the following combination: incremental funding based on political negotiations, no evaluation and accountability systems, a non-competitive environment, and public institutions captured by their "producers"--administrators, unions, and academic tribes--as opposed to serving their customers--students and employers. On the other hand, it seemed that the growing number of private institutions were merely doing just that: serving segments of customers, in the absence of a regulatory environment oriented to quality. The rigidities resulting from this pattern had become ingrained in institutional culture and practice, leading to outright collapse in some public universities. In this circumstance, the move to modernization could not be realistically made without modifying some basic operational premises of the system.

In this paper, I attempt to retrace the most visible actions taken by the federal government in this regard. I will also consider shifts in the behavior of the actors and their relationships as the agenda for higher education evolves in the 1990s. By examining some issues of implementation, I hope to provide a discussion of the questions that are now being asked after several years of policy change.

Some background: the morphology of higher education and its dynamics

One could say that, as a social system, modern history in Mexican higher education began in the late 1960s. Over the past two and a half decades, expansion, politicization, and institutional differentiation rapidly overwhelmed the model of the Universidad Nacional Autónoma de México (UNAM) as the dominant institutional image. Although such myths die hard (especially for people at UNAM who still view higher education through the lens of the National University), today every state has various types of institutions of higher education, both public and private. In 1995 institutions in the provinces had almost 78% of national enrollments, as a result of a nine-fold expansion of higher education enrollments in areas other than the capital city. In spite of this growth, the 1.2 million students enrolled today only represent about 15% of their age group, a proportion significantly lower than other Latin American countries of similar development levels, such as Argentina.

Decentralization of Higher Education Enrollments, 1970-1995

	1970	1995
<i>México D. F.</i>	112,857	271,610
<i>32 states</i>	100,024	945,821
<i>National Enrollment</i>	212,881	1,217,431

Source: ANUIES, Anuarios Estadísticos, México.

Enrollment growth has occurred in the context of extensive creation and differentiation of establishments. Between 1980 and 1995, more than 300 institutions were founded: in the public sector 3 universities, 41 technological institutes, and 10 two-year technical universities were created; and in the private sector, 279 establishments of the most diverse types and quality were set up (see Table 1). Although more students still study in public universities than in any other type of institution (59%), the growth sectors today are the numerous private institutions (24%) and the technical institutes of the public sector (17%). Postgraduate studies and research have significantly lagged the general trend, calling into question the use of the term *university* in many Mexican institutions. Nevertheless, over the past 15 years enrollment in masters and doctoral programs has grown to more than 65,000 students.

As a result of this expansion, a considerable market was created for the teaching profession. In 1995, more than 155,000 full-time and part-time professors were reported by the national rectors' association. A large proportion was hired since 1980 and, in the absence of a serious system of postgraduate training, most professors at the undergraduate level hold the first degree. Inbreeding is a notable trait of the professoriate, since a significant number continue to teach today in the same institution that hired them originally (Gil, Grediaga, et al. 1994).

If one asks how this process of expansion and differentiation was regulated, the answer will not be found in official documents or institutional planning papers, where one might expect the rules of the game to be clearly described; or, when such documents do exist, it is not certain that they faithfully describe actual practice. As has been the case with higher education in other Latin American countries, one finds that the actual decisions pertaining to the key variables of its operation--how

funds are allocated, institutions and programs are created, degrees are awarded, students are admitted, and academics are hired and promoted--have been taken in ad hoc fashion by government officials, rectors, heads of departments, unions, and pressure groups in a context of continuous political accommodation, constrained only by the availability of public funds and the limits of political expediency. Amateur institutional management framed by short-range political objectives became the dominant mode. Debates and negotiations revolved around the *inputs* that institutions required for their continued operation, not around expectations over the *outputs*. Thus, terms such as quality, equity, and efficiency could only be an abstract language much abused in public discourse but effectively without grounding in empirical reference or institutional practice.

It must be said that this logic did not apply only to public establishments. Unregulated expansion was also the rule in the official stance toward private institutions, which sprang up in profusion, under the most diverse conditions of quality. Thus, the good institutions of higher education in Mexico, both public and private, developed under very specific circumstances of outstanding leadership and local history. The existence of these institutions is not, therefore, a result of policy but an exception to a general rule.

The policy shift in the 1990s

The situation began to crumble in the 1980s as the funding restrictions and the political changes of that period brought to visibility complex problems such as uneven systemic development and low average quality (Martínez, Zorrilla and Kent, 1996)¹. Highly competent academics work alongside others who are mediocre

¹ This paper was written under the influence of many of the ideas set forth by the participants in the Mexican Round Table Discussion on Higher Education Reform (Mexico, D.F., October, 1996) who will

or worse, and students enrolled in one department may receive instruction of very good quality while fellow students in another course may find the university experience to be a miserable one. There has also been indifference to technological development and innovation. Instruction programs are abstract, and little attention is paid to the application of knowledge to real-life situations. Paradoxically, in technological institutes, where relevance to local economic realities should be paramount, centralized government regulation has limited their links with the market. The goal of greater equity has also been poorly served: regional enrollment rates and rates of student achievement are highly variable. Lastly, institutional rigidities have made innovation difficult, putting issues of governance and funding ahead of substantive concerns such as teaching, learning, and scholarship.

However, as the cultural and social climate shifted in the late 1980s, tolerance toward these problems diminished. Evidently, with the national move toward economic liberalization and political mobilization toward electoral democracy, higher education could not simply return to old accommodations. The legitimacy of the political pacts that traditionally sustained institutions of higher education had eroded, paving the way for a new set of policies. Between 1988 and 1991, government officials framed a policy for reforming higher education that promised significant departures from the status quo. Various programs were developed concerning funding, evaluation and quality control, the academic labor market, research, postgraduate training, and student admissions. Following is a brief discussion of the first three of these initiatives.²

remain anonymous and to whom I am indebted for their intelligent and forthright participation. The discussion paper for the round table was developed by Martínez, Zorrilla and Kent (1996).

² The following remarks are based on Kent (1996a) and Kent, Didou, and De Vries (1996).

Funding

Between 1989 and 1994, federal funding for higher education and research increased at about 20% yearly in current dollars (see Table 2). Total public expenditure (including federal and state governments) for education grew by a factor of four in current dollars between 1988 and 1994. This was evidence that education had again become a priority on a national scale. Throughout the 1990s, public spending for education grew from 3.7% of GDP to about 5%, with federal expenditures for higher education growing threefold in current dollars between 1988 and 1994.

At a time when student enrollment was not growing in higher education, this represented a significant stimulus, but the old *incrementalist* approach was modified only in part. The growth of basic operational subsidies was kept to a minimum, whereas targeted funds for specific programs increased significantly. Thus, between 1991 and 1994, resources for institutional innovation, telecommunications, research projects, and productivity bonuses for professors represented 50% of the net increase in funds. Institutions had to compete for these funds based on project proposals, which were evaluated by committees of experts.³ Public universities were also urged to diversify their sources of income (Arredondo 1992). Most such institutions went on to raise fees and tuition rates, although on a widely varying scale (from US\$50 a semester in some institutions to US\$300 in others).

³ Specific funds were made available for: telecommunications infrastructure, new academic programs, salary incentives for individual professors (inspired by a similar scheme created in 1984 for researchers), curriculum evaluation and reform, and the establishment of management and information systems. Additionally, the National Science Council (CONACYT) established various funds for postgraduate programs, research projects, repatriation of Mexican scientists working abroad, and technological transfer.

To what extent and in what direction did funding rules effectively change? On one hand, public universities were forced to diversify. Most of the increases in public funds were not channeled through basic subsidies. One study shows that by 1994, universities increased their income from sources other than basic subsidies on a range from 10% to 40%. However, income from tuition and services was never higher than 15% (Kent, Didou, and De Vries 1996). Since figures for institutional budgets in 1995 and 1996 are not available, this paper cannot say whether this tendency toward income diversification can be sustained even during an economic crisis. However, uneven as it is from one institution to another, financial diversification is a significant step away from historical practice, because it points to the possibility of innovation at the level of institutional management. Since changes in internal financial priorities do not occur in a political vacuum, they have important implications for the actors and their relationships at the institutional level.⁴

On the other hand, an external review of Mexican higher education by OECD examiners in 1996 stated flatly that they were unable to detect the actual criteria used by the federal government in funding allocations (OECD 1996). Thus, it is impossible even today to detect equivalencies across institutions in basic input or output indicators. These disparities continue to be an issue in discussions between rectors and government officials.

⁴ Changes in financial management have emerged in various institutions. The Autonomous University of Coahuila has reported that by means of a significant cut in its operating budget (which led to the dismissal of several hundred people), the university was able to allocate resources to special funds for innovations and for new libraries. The University of Guadalajara (the second largest in the country) restructured its organization, decentralizing most of the budget to the local operating units.

Recent developments have revealed new complexities around the issue of funding. There are several implications of ongoing adjustments in government policy and the impact of the 1995 crisis. First, criticism of unclear rules and poor accountability has apparently led to a recent change in allocation of targeted project funds for universities. Whereas previously the rector was the recipient and manager of such funds, the Secretary for Higher Education has recently said that heads of departments will be eligible and will be held accountable for project funds. This measure in effect bypasses the rector and introduces an element of accountability that had hitherto been absent (SESIC 1995). This shift has implications for management at the level of academic departments and local units, where experience and expertise has been historically lacking, and it will be important to monitor its effects.

Second, the educational policy statement of the Zedillo administration⁵ states that the expected renewal of student demand for higher education over the next decade will be absorbed by the two- and four-year technological institutes of the public sector (and, implicitly, the private sector). This means that enrollments in the universities will remain fixed.

Another important issue was raised by the official announcement that over the next five years governmental funding and management of higher education will be decentralized to the state level. Since decentralization for K-12 levels was initiated between 1992 and 1994 (when Zedillo was Secretary of Education), this announcement was seen as a logical continuation. The complex political, financial, and educational implications cannot be developed here, except to note that should

⁵ See *Programa de Desarrollo Educativo, 1995-2000*, announced by the federal government in early 1996.

funding for higher education be placed in the hands of state governors, public institutions of higher education will probably face pivotal changes in funding levels and management.

The recent financial crisis had a significant impact on public expenditures in higher education. According to recent data, in current dollar terms federal funding for higher education and research retreated to 1992 levels (see Table 2). The spending cuts in 1995 and 1996 seem to have affected higher education in greater measure than K-12, thus maintaining basic education as the priority sector. An important question for higher education researchers and policy makers is to what extent university managers have acknowledged that dependence on a single source of funding makes institutions especially vulnerable to the effects of federal budget instability. Financial implications of all the factors mentioned above for public universities are clear: no significant increments will be forthcoming from the federal government in the future, and institutions will be forced to compete in greater measure for targeted funds and to raise resources on their own.

Evaluation and quality control

Officials of the incoming Salinas administration in 1988 talked insistently of the need to introduce evaluation. The mere mention of something that was traditionally alien to Mexican higher education raised the hackles of rectors, academics, and union leaders who perceived it as evidence that the state had lost confidence in the operations and outcomes of public higher education. In this view, evaluation would be used as a weapon to justify further cuts in federal funds, thus pushing public universities down the road to privatization. The first perception was most likely accurate: levels of confidence in public higher education were at an all-time low. However, not only did public funding grow significantly over the next

six years but in the end evaluation was not linked to decisions on resource allocation (at least not in any visible way). Nevertheless, an evaluation frenzy emerged during the first years of the Salinas administration. In 1990, a National Evaluation Commission for Higher Education was set up to develop evaluation at six levels:⁶

1. Institutional self-evaluation. This was to be implemented annually by each establishment according to pre-designed government criteria; the expected outcomes were a diagnosis of strengths and weaknesses, a mission statement, and a long-term development strategy. Compliance with this procedure was in turn made a prerequisite for applying for project funding. In negotiations with the rectors' association (ANUIES) the Secretary for Higher Education accepted that the results of the self-evaluations would be made public by the institution if it so desired.⁷

2. External review of academic programs at the undergraduate level. These would be carried out by peer committees (Comités Interinstitucionales de Evaluación de la Educación Superior).⁸

3. Individual evaluation of professors and researchers. For allocating individual performance bonuses to academics, institutions were required to develop criteria for evaluating performance in teaching. Federal funds allocated to this end

⁶ The following is taken from Kent (1996a).

⁷ Only one university had done so in five years: the University of Guadalajara.

⁸ As of late 1995, peer reviews had been carried out at 28 public and 5 private universities, 9 technological institutes (public) and 4 departments of the National Polytechnical Institute (public). (Interview with Manuel Pérez Rocha, General Coordinator of Peer Review Committees, October, 1995)

carry the explicit proviso that unions are excluded from allocation criteria and procedures. Thus, individual income from this source is not subject to collective bargaining and does not accrue toward pensions.⁹

4. Evaluation of graduate programs performed by CONACYT--the National Science Council. This procedure is based on performance indicators centered on the research productivity of the department's academics, which is analyzed by peer committees. The results are used to formulate a list of *programs of excellence* which thereby become eligible for research grants, scholarships, and other types of financial assistance. The impact of this procedure has not been insignificant, as funds for graduate programs can only be obtained through CONACYT. One effect has been the separation of policy for undergraduate studies from policy toward the graduate level, inducing universities to follow CONACYT criteria rather than creating graduate programs in the accustomed lax fashion (De Vries 1996). Thus, in effect, this procedure operates as an accreditation mechanism.

5. Assessment of incoming students and graduates. The traditional "open door" admission policy of public universities had come under heavy criticism by the media and government officials during the 1980s.¹⁰ In this climate, the College Entrance Examination Board was hired by several public universities. Since then, the Centro Nacional de Evaluación (CENEVAL), a non-governmental institution,

⁹ The precedent for this mechanism of "institutional bypassing" was the National System of Researches (SNI), set up by CONACYT in 1984 to provide extra income to scientists whose university salaries had plummeted. By the mid-1990s, six thousand researchers were SNI grantees, and the SNI had become a permanent fixture.

¹⁰ In 1986 the National University's attempt to fix new entrance requirements unleashed a prolonged political conflict, which seems to have paralyzed UNAM's capacity for reform but at the same time focused public attention on the need to effect changes in admissions at other public universities.

was created to develop and implement entrance examinations for upper secondary schools and higher education.¹¹ By late 1994, CENEVAL had administered examinations at 41 institutions in 19 states (CENEVAL 1995). Additionally, the Center collaborated with professional associations to set up *professional competency examinations* for graduates of various professions.¹²

6. Institutional accreditation in the private sector. Several major private universities have been working with the Southern Association of Schools and Colleges in the U.S. for several years. More recently, an association of 60 private institutions (FIMPES) began to design a local mechanism for accreditation.

Although systematic information on the results of these evaluations is not publicly available, it is fair to say that, for a higher education system that expanded for a generation under a lax form of political regulation legitimated by a welfare ideology, these developments undoubtedly represent important changes. However, various problems in evaluation procedures can be identified.¹³ First, institutional self-evaluation has, for the most part, turned into a routine administrative procedure in which the rector makes a technical report to federal officials without involving faculty and administrators in actual evaluation exercises. A credible,

¹¹ Initially sponsored by the federal government, which funded it for the first year of operations, CENEVAL was designed to obtain subsequent income from the sale of assessment services to educational institutions. It competes with the CEEB and is beginning to set up assessment procedures in other countries (it has been hired by the Bolivian government to develop an entrance exam for Bolivian schools). CENEVAL designs and administers the exams, but the institutions define their own admissions policy on the basis of exam results: this means that there are national standards but differential admissions criteria.

¹² One objective is to establish standards for Mexican graduates that will be comparable to those of the United States and Canada. A series of tests for assessing minimum professional competence in graduates was introduced initially to the health professions, engineering, and law (ANUIES 1993).

¹³ The following is taken from Martínez, Zorrilla, and Kent 1996.

autonomous accreditation system is a necessary adjunct to institutional self-evaluation. Second, accountability has been construed to mean reporting to the government but not to the public at large; thus an important ethical component of evaluation--namely, transparency in institutional operations--is missing. Third, although the emphasis on performance indicators in individual assessments and graduate program evaluation by CONACYT has created incentives to produce evidence of productivity (however it may be defined), it remains to be seen whether this is also evidence of higher quality. Fourth, evaluation has focused on the inputs of the system, but there has been little effort to assess processes and outcomes. Institutions, programs, and academics have been the objects of evaluation, but academic achievement by students is not being assessed. And last, the premise of uniformity in evaluation procedures does not consider the significant differences among types of institutions. Thus, a differentiated concept of quality appropriate for diverse institutional missions is needed (De Moura Castro and Levy 1996).

Some of the principal components of an evaluation system are in place. However, their actual operation and articulation show evidence of an implementation process that went only part way. In some respects, this may be the result of natural forms of resistance within institutions that have long existed without any sort of evaluation culture. However, it may also be the consequence of conceptual deficiencies derived from applying uniform criteria in a highly differentiated system that has not recognized the nature of this differentiation and its implications for funding, governance, and evaluation (*ibid.*).

The academic labor market

Because most of the existing professoriate was hired during a period in which unions exerted considerable influence over institutional personnel policies, academic merit was not a strong factor in hiring and promotion. During the 1980s inflation had reduced the buying power of academic salaries and had shrunk pay scales. Most professors--even those hired on a full-time basis--held more than one job. Very few new posts were on offer, and the prospects for attracting talented young people to the academic profession looked slim indeed.

Early on in the Salinas administration, there was recognition of the need to remedy some of these distortions by making changes in salary scales, hiring, and promotion and assessment of academic work. Then, a fundamental political shift occurred, providing the opportunity (Kent 1996a). Union militancy and influence in universities--once a crucial component in governance--had declined significantly. A constitutional amendment in 1980 had confined university unions to single establishments, barring the formation of a national union, and had limited their influence on hiring and promotion procedures for faculty. Additionally, the series of national wage-price "pacts" between organized labor, business, and government (beginning in 1983 and extending to the present) established controlled yearly wage increases on a national scale, effectively deactivating strike activity. University unions are still around, and although they have lost the backing of academic personnel, they sometimes exert a veto power against certain institutional policies.

These developments created the political conditions for various changes. Although basic governmental subsidies for salaries have not increased significantly, since they have been subjected to the national wage-price controls, the existing national salary scale (based on UNAM) was deregulated in 1990 (*deshomologación*).

This allowed each institution to develop different pay scales. No systematic information is available, but wage differentials separating assistant, associate, and full professors have increased, and the differences among institutions have also increased. Also, pay increments came through the side door in the form of performance bonuses for individual professors. Each institution developed its own assessment criteria and the sum offered to its professors. No data are available across the board, but the attractiveness of a full time teaching and/or research post is greater now than it was five years ago. Finally, upgrading through postgraduate training has received considerable attention, since institutions have begun to change the minimum degree required for academic work to the master's and doctoral level. In 1994 a fund was created to allow institutions to finance doctoral studies by in-service professors.

These measures have reduced the widespread discontent among the professoriate that was so evident several years back. Resources were invested in mid-career professors, and many academics were upgraded. However, this in effect raised the costs of the existing professoriate. There is a new internal market for quickie Ph.D.s, which may amount to an artificially created distortion in the market.¹⁴ The academic labor market was not totally deregulated, since contractual rules are still subject to the old rigidities imposed by union negotiations in the previous decade and by national labor regulations. This sends contradictory messages: against a backdrop of unchanged contractual arrangements for hiring and promotion, professors receive extra pay for performance, as measured by the various schemes that institutions have devised. Thus, rules for the academic market have changed, but only in part.

¹⁴ This issue was posed by the participants at the Round Table Discussion on Higher Education Reform in Mexico.

Is this tantamount to an increase in quality? The answer is affirmative if better quality results from better inputs to the educational process. However, the operation of existing assessment mechanisms does not allow judgments on the change in output quality. If it turns out that upgrading mid-career professors did not make better teachers out of them, but rather more expensive academics with higher status, then there would be efficiency problems as well.

Conclusions: unfinished business in several crucial dimensions of reform

Surely momentum was gained for reform, in terms of bringing institutions up to a minimally acceptable state of operation. The *chiaroscuro* portrait must include the following: procedures were normalized and minimum standards were set, but some fundamental rules of the game (especially for subsidies) have not been made clear; some basic operating mechanisms were partially extracted from the corporativistic relationships that govern many institutions; financial recovery was brought about in real terms, with significant investment in infrastructure, although the recent financial crisis lowers the probability that these increments will continue; evaluation procedures were initiated, but the aims of evaluation are ambiguous; distinctions based on individual merit were made legitimate, even if only as performance indicators subject to varied political uses; entrance exams for students are now common procedure for most public universities; and significant reforms are under way in governance, management, and structure at various public universities, perhaps paving the way for deeper changes in teaching and learning. Nevertheless, this is happening on a limited scale in the larger or academically stronger institutions.

As a whole, quality of infrastructure and the professoriate were stressed over quality in the process and results of teaching and learning. Costs are higher but it is difficult to determine whether this is an efficient arrangement. As for equity, one must heed the OECD examiners' report, which stated that, in spite of all the rhetoric about expansion and democratization, Mexican higher education has yet to make the transition from serving the elites to serving the population at large.

Do these changes amount to significant shifts in incentive structure, accountability, stakeholder development and the regulatory environment? The answer must be: only partially. Realignments occurred in the relationships between government and higher education, but a clear direction for new kinds of coordination has not crystallized.

Government had, in effect, moved away from its traditional role as financial provider trapped in a set of politically generated rules of resource allocation that were inherently conflict prone and lacked the capacity for quality assurance. The stimulus for quality betterment and changes in funding did come from government, but its policy setting capability suffers from a confusion between means and ends. At this juncture, this is a confusion between declaring satisfaction with recent achievements and looking forward to the deeper reforms that are necessary.

At the institutional level, the cast of actors and their roles have shifted. The influence of unions and student federations has conspicuously diminished, except as veto groups in specific decisions. The power of managers has grown. But what to say of the internal clienteles (especially union power) and the pressure groups that span institutional borders, forming the connecting tissue between institutions and

the local political system? Public institutions of higher education remain the focus of non-educational interest groups, and reform-minded institutional leadership must contend with them if the unfinished business is to be consummated.

This leads to the question of the fragility of current reforms.¹⁵ Is there a capacity for sustained reform, for long-term restructuring of academic functions? Such capacity is probably dependent on two factors: (1) the strengthening of new academic and institutional leadership with the capacity to develop clear institutional missions and the means of adapting to a seemingly permanent turbulence in the environment; and (2) the development of a policy framework with sufficient coherence to defend and support the emerging leadership in innovative institutions and the mechanisms for learning from implementation.

¹⁵ The Round Table Discussion on Higher Education Reform in Mexico pointed emphatically to this issue.

References

ANUIES, *Anuarios Estadísticos*, México, several years.

ANUIES. 1993. "Propuesta del Cuerpo Consultivo sobre el Examen Nacional Indicativo previo a la Licenciatura y el Examen General de Calidad Profesional." México.

Arredondo, Víctor. 1992. "La estrategia general de la Comisión Nacional de Evaluación de la Educación Superior: Resultados preliminares." In SEP, *Evaluación, Promoción de la Calidad y Financiamiento de la Educación Superior: Experiencias en Distintos Países*, 157-70. México.

Brunner, J. J. et al. 1994. *Educación superior en América Latina: una agenda de problemas, políticas y debates en el umbral del año 2000*. Santiago: Proyecto Comparado de Políticas de Educación Superior en América Latina.

CENEVAL. 1995. *Examen Nacional de Ingreso a la Licenciatura*, México.

De Moura Castro, Claudio and Daniel Levy. 1996. "Higher Education in Latin America and the Caribbean: A Strategy Paper." Washington: Inter-American Development Bank, draft.

De Vries, Wietse. 1996. "Políticas federales y cambio institucional en la educación superior." Ph.D. dissertation, Doctorado Interinstitucional en Educación, Universidad Autónoma de Aguascalientes.

Gago, Antonio. 1989. "Veinte Telegramas por la Educación Superior y una Petición Desesperada," *Universidad Futura*, México, Vol. I, No. 1, 35-40.

Gil, Manuel, Rocío Grediaga, et al. 1994. *Los rasgos de la diversidad*. México: Universidad Autónoma Metropolitana-Azcapotzalco.

Kent, R. 1996a. "Institutional Reform in Mexican Higher Education: Conflict and Renewal in Three Public Universities." Draft prepared for the Social Programs Division of the Inter-American Development Bank.

_____. 1996b. "Modernity on the Periphery: Social and Cultural Change in Mexican Higher Education," in Kempner, K. and W. Tierney, eds., *Comparative Perspectives on the Social Role of Higher Education*. New York: Garland Press.

- Kent, R., S. Didou and W. de Vries. 1996. "La política financiera del gobierno federal hacia las universidades públicas en México en los años 90." *Revista Paraguaya de Sociología*, Asunción, Paraguay: Centro Paraguayo de Estudios Sociológicos, Vol. 33, No. 97, 47-70.
- Levy, Daniel C. 1986. *Higher Education and the State in Latin America: Private Challenges to Public Distinctiveness*. Chicago: University of Chicago Press.
- Martínez, F., J. Zorrilla, and R. Kent. 1996. "Los fines públicos de la educación superior: una agenda de discusión." Document presented to the Round Table Discussions on Reform in Mexican Higher Education in preparation for the symposium on "Higher Education in Latin America: the Challenges of the Market and Institutional Reform." Harvard University, November 6-8.
- OECD. 1996. *Reseña de las políticas de educación superior en México: Reporte de los examinadores externos*. México.
- SEP. 1996. *Programa de Desarrollo Educativo, 1995-2000*. México: Poder Ejecutivo Federal.
- SESIC. 1995. *Guía para formular proyectos FOMES*, S.E.P., México.
- Williams, Gareth. 1992. *Changing Patterns of Finance in Higher Education*, Buckingham: Open University Press, 1.
- Zedillo, Ernesto. 1996. *Segundo Informe de Gobierno*. México: Poder Ejecutivo Federal.

Table 1

Higher Education Enrollments by Sector, 1980 - 1995

	<u>1980</u>	<u>1990</u>	<u>1995</u>
<i>Total</i>			
Number of institutions	208	354	541
Total enrollments	731,291	1,078,191	1,223,299
Men	513,344	643,388	667,591
Women	217,947	434,803	549,840
<i>Public: Universities</i>			
Number of institutions	41	43	44
Total enrollments	536,991	723,420	719,333
Men	371,322	426,351	381,853
Women	165,669	297,069	337,480
<i>Public: Technological Institutes (a)</i>			
Number of institutions	64	96	105
Total enrollments	92,567	160,698	208,621
Men	75,801	110,850	134,518
Women	16,766	49,848	74,103
<i>Public: 2 yr. Technological Universities (b)</i>			
Number of institutions	-	3	10
Total enrollments	-	924	5,868
Men	-	542	
Women		382	
<i>Private: Universities (c)</i>			
Number of institutions	26	50	81
Total enrollments	71,001	121,305	191,437
Men	46,773	68,336	102,781
Women	24,228	52,969	88,656
<i>Private: Schools & Institutes (d)</i>			
Number of institutions	77	162	301
Total enrollments	26,303	65,819	82,749
Men	15,691	33,066	40,124
Women	10,612	32,753	42,625

(a) 4-yr. institutions for training engineers & administrators; centrally regulated.

(b) 2-yr. institutions created in 1990 by Ministry but decentralized to states.

(c) University-type, secular & religious, diversified offerings, some postgraduate & research; sophisticated infrastructure; some are extended multi-campus institutions (e.g., Inst. Tec. Monterrey or Universidad Iberoamericana); mostly elite clientele.

(d) Small specialized schools, limited offerings in service professions, poor infrastructure; "Demand-absorbing" institutions (Levy 1986).

Note: Not included are 332 Normal Schools (public & private), regulated by Under Secretary for Basic Education and state governments.

Source: Asociación Nal. de Universidades e Inst. de Educ. Sup., *Anuarios Estadísticos*.

Table 2

Public Expenditure in Education

Millions of U.S. dollars at the current rate of exchange.

<i>Total Public Expenditure in</i>	<i>1986</i>	<i>1987</i>	<i>1988</i>	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1992</i>	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996 (est.)</i>
<i>Federal Expenditure (a):</i>											
<i>K-12</i>	1,475	1,739	2,082	2,463	3,105	4,099	5,757	7,755	10,386	6,346	6,636
<i>Upper Secondary</i>	553	479	631	772	804	972	1,179	1,525	1,754	1,230	1,129
<i>Higher Education & Postgraduate</i>	741	853	1,029	1,063	1,309	1,738	2,269	2,806	3,355	2,096	1,984
<i>Total Public Expenditure (b)</i>	4,401	4,582	5,571	7,257	9,626	12,769	16,104	19,778	22,305	13,350	15,402
			3.1	3.3	3.7	4.1	4.4	5	5.2	4.8	5.1

(a) Only federal government; Not included: expenditures by state and municipal governments; private expenditure; adult education; and administration.

(b) Includes federal, state, municipal; administrative & support costs.

Sources: Ernesto Zedillo, *II Informe de Gobierno*, 1996.

Table 3

Federal Expenditure on Science and Technology

(Millions U.S. dollars at current rate of exchange)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996 (est.)
<i>CONACYT (a)</i>	384	459	562	717	1,046	1,168	1,454	1,755	1,009	1,180
<i>Institutions of Higher Education</i>	88	107	91	207	327	277	338	515	289	339
<i>R&D in public firms, govt. research centers, etc.</i>	183	216	225	359	451	623	885	1,012	620	699
<i>Total</i>	655	782	878	1,283	1,825	2,068	2,677	3,282	1,918	2,218
<i>Fed. Exp. in S&T / Federal Budget (%)</i>	1.38	1.42	1.58	1.77	2.12	2.08	2.16	2.31	2.24	2.29
<i>Fed. Exp. in S&T/GDP (%)</i>		0.25	0.25	0.28	0.33	0.32	0.37	0.41	0.38	0.39

(a) Includes CONACYT funds for research grants, postgraduate programs, infrastructure, research institutes, administration.

Source: Ernesto Zedillo, II Informe de Gobierno, 1996.

Higher Education in Venezuela: Issues and Prospects for Reform

Juan Carlos Navarro
Instituto de Estudios Superiores de Administración, IESA
Caracas, Venezuela

Introduction

Over the last three decades, higher education has been the main recipient of educational investment in Venezuela to an extent that is unusual even by Latin American standards. Yet, many public institutions show all the symptoms of severe financial hardship: deterioration of infrastructure, declining quality in several disciplines, critical shortages of teaching inputs (such as library and laboratory materials), and recurrent strikes.

Despite recent trends toward a more institutionally diverse and less publicly dominated system, the large, comprehensive public universities still dominate the picture, and these institutions are presently affected by severe economic bottlenecks given their almost complete reliance on government funding and, arguably, clear symptoms of internal inefficiency. The combination of policies for free tuition and open admission has turned Venezuela into a country with one of the highest enrollment rates in higher education; at the same time, it has led to severe distortions in public spending patterns that suggest the urgent need for corrective measures. In addition to the ever-increasing financial requirements of public higher education, the budgetary process itself has become a primary source of conflict, contributing to the already serious governance problems within most institutions. Public policy toward higher education has so far seemed erratic and has lacked any important proposals on key fronts--especially financing but also evaluation and systemic coordination and management; although it is possible to identify reform proposals and experiences coming out of particular institutions, they are not part of any comprehensive reform policies.

The aim of this paper is to provide an overview of higher education in Venezuela and to explore the most salient policy and institutional issues, looking for an explanation of the paradox posed by the coexistence of relatively abundant resources with acute quality and governance problems that are the hallmark of many institutions in the country. A brief assessment of the prospects for reform are presented in the final section.

Higher education in Venezuela: Basic dimensions and characteristics

Institutions and enrollments

Venezuela has 113 higher education institutions: 32 are universities--17 public and 15 private--that offer a wide array of diplomas at both the undergraduate and graduate levels. Public institutions tend to be larger--usually over 10,000 students, more than 40,000 thousand in a few--although at least three private universities also enroll more than 10,000 students. Over all, 20 percent of university enrollment is in private institutions, double their share in the early eighties. The general picture is one of a rapidly expanding private market share in a sector still largely dominated by public institutions.

Most of the remaining 81 institutions--38 of which are private--are designated as university colleges or polytechnic institutes; they offer three-year technical and commercial degrees. This group has for the most part appeared during the last two decades in response to excess demand at traditional institutions and the deliberate attempt by several administrations to create a viable alternative to conventional five-year university degrees for those either unprepared for or unwilling to undertake university training. Actually, the success of this aim should be taken as one of the few recent achievements of higher education policies: as of today, over 25 percent of enrollment in higher education belongs to this relatively low-cost group of institutions, whose degrees are generally well recognized in the labor market.

There is enormous variation in the quality of teaching among institutions, and no clear cut criteria for attributing superiority to a particular sector. Most scientific research is carried out at public universities, which have a more developed full-time faculty in many disciplines, but some private institutions have been increasing their strengths in specific areas of the social sciences and humanities.

In terms of total enrollment, higher education experienced a rate of growth in the seventies and eighties that shows signs of leveling off in the early nineties; for the first time in memory, several institutions have publicly reported vacancies in some programs in the past three years. It was not always this way: Venezuela enrolls 26 percent of the relevant age group in higher education, above the 19 percent average for Latin American countries. This was the result of the combination of growing cohorts of high school graduates coming out of the expansion of lower levels of education in the sixties and the seventies with a strong political commitment to making access a priority over other criteria in higher education policy. The Venezuelan administrations during this period wanted a place for everyone in a higher education institution; this led to the creation of new universities, to the expansion of the private sector, to the enlargement of traditional public universities, and, as we have seen, to the creation of a whole new brand of institutions.

Faculty growth quickly followed the trend in enrollments, creating strong pressures on the institutions to lower standards regulating faculty recruitment and promotion; this led to corresponding negative consequences in quality. Budgets skyrocketed, but they were unable to keep pace with needs. This created a massive flow of public resources to finance higher education and a situation of financial retrenchment in most institutions, which reinforced the trend toward lower quality.

Financing

The financing problem in Venezuelan higher education can only be understood by taking into account that--with the exception of those entrants channeled into the newly created private institutions--the entire burden of paying for expansion was put on the government and none, directly, on students and families. For all practical purposes, money for higher education comes from the budget of the Ministry of Education because a free-tuition policy prevails in all undergraduate programs and institutions have not developed much in terms of significant alternative resources.

The effects of these developments in the patterns of public spending in education have been extremely serious. As is clear in Graph 1, higher education has received consistently between 30 and 40 percent of the Ministry of Education budget over the last twelve years, a rather atypical pattern for countries at a comparable level of development and an extremely severe distortion by any standard, given the critical problems of quality and coverage that persist in lower levels of education.

Thus, even though education has been able to keep its share of public spending over a decade and a half of economic decay in Venezuela, higher education has been the only sector that has managed to keep the absolute amount of resources at a stable level, while the others have lost ground. Some details can be seen in Table 1, where still another observation becomes clear, to complete the problematic picture of university financing in Venezuela: even as the absolute level of resources going to public higher education has been steady, as well as the level's share in the global education budget, spending per student is now at only 70 percent of what it was at the beginning of the period under study. As indicated above, the government budgetary effort, no matter how considerable, failed to be proportional to the expansion in enrollments. Constrained by free tuition and their inability to find new sources of support, institutions became chronically cash-

starved and underfinanced. Private institutions, in contrast, receive very little in terms of public subsidy and rely almost entirely on tuition and donations to finance operations and infrastructure.

But there is more to this story than absolute amounts of resources. Indeed, a natural response of an organization subjected to financial retrenchment would be a renewed commitment to efficiency in resource management. Yet internal inefficiency is clearly a problem for most public institutions of higher education in Venezuela, as can be seen in Table 2.

The general picture is one of serious internal inefficiencies. To mention one instance, unit costs of undergraduate instruction are about three times as high in a public university than at a private university of comparable quality. The difference is far greater for the cost per graduate because of the longer average time taken for graduation at public universities. And the number of nonacademic personnel seems hard to reconcile with any principle of cost minimization. Detailed studies (Páez, 1994) have depicted a situation where even the most basic common-sense rules of academic achievement are not consistently applied by institutions, resulting in completely unnecessary administrative and academic burdens imposed on faculty, administrators, and budgets.

Three powerful forces lie behind this relative immunity of institutional behavior to efficiency pressures: interest groups, ideology, and the structure of the budget process. Let us first examine the third and return to the other two in the next section.

The distribution of budgetary allocations among public universities takes place in an intermediate corporatist body, the National University Council (CNU), composed of university rectors and government representatives and headed by the Minister of Education. Within the CNU, decisions are taken through a bargaining process in which historical budgets prevail: each university receives its share based

on last year's allocation. The number of students allegedly enrolled in each university, along with some general criteria defining floors for certain categories of spending--for instance, not less than 3 percent dedicated to research, or not less than 0.75 percent dedicated to libraries--are also influential in decisions. Beyond this, no performance or efficiency indicators, or even institutional characteristics or differences in the cost of living for different parts of the country, are considered. Small wonder that institutions make a point of maximizing enrollments.

The Ministry of Education has little capacity to do budgetary planning sector-wide, which would require weighting the university budgets along with other needs; thus whatever the CNU decides goes to the Finance Ministry, where it is adjusted given the availability of resources in the general budget. Usually, universities function until some point in October or November, when they run out of cash, request an extra appropriation, and negotiate with the government, often to the point of calling for a strike. At that point, some extra resources are found and academic activities resume until the next cycle.

This process has (1) begun to erode the good reputation of the institutions, which tend to be publicly perceived as associated with conflict and giving priority to budgets over education; (2) damaged the reputation of the government as far as its ability to commit to agreements and honor contracts; and (3) enhanced the position of university unions--of professors, employees, and students alike--as primary agents in decision making concerning higher education.

Yet the process has shown itself very hard to overcome. The University Planning Office (OPSU), an arm of the CNU for technical studies, has many times over the last fifteen years tried to introduce some elements of rationality in budgetary decisions, with little success. Formulas for allocating teaching and research funds among institutions have been repeatedly proposed, but they have met with indifference or sometimes active opposition in CNU's ranks (Silva Michelena, 1996).

In addition, there is nothing in the process that allows for consideration of long-term planning and economic bottlenecks that affect institutions. The most important of these, no doubt, is the rapidly increasing number of faculty reaching retirement age--or rather, retirement status, since the generous labor contracts ruling faculty careers often produce full salary retirements for professors in their mid-forties. Ever-growing chunks of university budgets are being dedicated to cover retirement benefits, leaving fewer resources for active professors and essential activities; in several large public universities the budget line dedicated to pensions is nearing that for teaching resources. Thus far, no initiative has been taken to defuse this time bomb.

Governance issues

The authorities at most higher education institutions have for the most part lost effective governing capacity. Unions actually make the rules and enforce them, be it in recruitment, promotion, work discipline, or budgetary negotiation with the government. Professors, employees, and students are all highly organized at each institution, and, despite criticism voiced from both inside and outside, they remain powerful enough to impose their will (a recent attempt--unusually successful--at limiting their excesses at the Universidad del Zulia took a strike several months long by employees).

Ideology is also an important part of the story. In the words of a former dean of a public university, the political discourse that dominates the university makes equality the unchallenged primary value in institutional management, disregarding excellence, performance, efficiency, or any other value as symptoms of elitism or antidemocratic inclinations. The clearest example of these ideological biases is the case of a series of rules that make mandatory for all professors at all public institutions any salary increase negotiated by a particular university for its personnel. The outcome is the rule of minimum effort, unnecessarily costly labor contracts, and difficulties in rewarding exceptional talent or performance in the academic profession.

This ideology is also the source of the strong resistance against any change in free tuition policies. According to the prevailing view, the best, if not the only, way to guarantee universal access to higher education for students of all socioeconomic backgrounds is free tuition. In fact, today, under free tuition, only 2.5 percent of students enrolled in public universities come from the bottom 40 percent of the population, whereas 30 percent of students at the same institutions come from the top 5 percent of the socioeconomic scale, a group that enjoys free higher education after paying for private elementary and secondary schools (Navarro, 1991).

Externally imposed rules and regulations are another factor preventing efficient university management. The current University Law places overwhelming administrative demands on the governing bodies of the universities, whose crowded agendas rarely have room for even a brief consideration of institutional strategy or long-term planning. For all the importance that the universities place on their autonomy, the CNU has become highly intrusive in even the minor details of university administration.

Facing the problems

Policy responses

Several responses have been tried over the years as a cure for the ills of higher education in Venezuela. None of them, however, has reached the status of a comprehensive policy framework for higher education. Policy innovation in this sector has consisted more of incremental changes that affect one or another detail of a particular problem, rather than fundamental reorganization.

As a matter of fact, it could be argued that the plentiful resources brought by oil bonanzas during the seventies and early eighties produced a reform pattern following the "path of least resistance." Over that period, attempts at producing university environments free of the constraints and distortions of traditional public universities led to the founding of new institutions, several of them originally designed along entirely new organizational schemes or procedures--an open

university, a university focused on crediting experience rather than formal learning, still another dedicated to basic science and engineering free of the rigid structure of schools and disciplines, and so on. In the end, these so called "experimental" universities failed to introduce improvements in the critical areas of financing and governance.*

Beyond this curious path of innovation without reform, OPSU, fulfilling its role as technical advisor to the system, has been the source of ideas and projects that could have introduced some rational components into regulations affecting higher education institutions. Such proposals have almost invariably been delayed and blocked by the CNU. This is easy to understand when one takes into account that almost any attempt at correcting distortions is bound to affect certain institutions, and some of them negatively, at least in the short term. On the plus side one has to include the good availability of information on the main dimensions of higher education that has been accumulated by this agency over the years.

Congress has entertained the possibility of legislating on higher education and, in particular, on higher education financing for at least the past fifteen years. The current law, passed in 1970, was not written to take into account the huge expansion, diversification, and distortions that would prevail in the following decades. Yet, no politically viable new law has been able to get past the preliminary stages of discussion in chambers. A project that is now moving forward, curiously enough, is generally believed to be contrary to the current needs of the system: it consists of a highly specific set of regulations that get close to micromanaging institutions by legal mandate. If passed, it would multiply the current--and

* An important exception to this must be noted: the Universidad Simón Bolívar introduced in 1997 a radical innovation for the election of the Rector. According to the new rules, senior professors have the most influence and the final say in the selection of top university administrators. The change has been controversial but has not been reversed. In other public universities, administrators are chosen by general elections in which professors participate without distinction and students have votes and considerable direct influence--a system in which elected authorities are placed in a highly political setting in which they have to care for the short-term interests of internal pressure groups rather than pay attention to larger institutional issues.

undesirable--overwhelming burdens on academic administrators and will reinforce the systemic rigidities that come out of the nature and functioning of the CNU. The very fact that such a counterreform law has got so far in Congress speaks eloquently of the gap between research and policy in Venezuelan higher education, as well as of the lack of clear and modern leadership in this policy area.

In contrast, the Ministry of Education recently produced preliminary indications that the traditional lack of direction in higher education public policy might be coming to an end. A recent less-than-official document (1995) originating in the office of the Minister identifies the following issues as in need of decisive response by both the government and institutions: less than adequate admission policies, excessive time to graduation for many students, inequities resulting from free tuition, weak systems for faculty evaluation and promotion, low research productivity, excessive labor stability, uniformity in salaries across institutions, lack of funding sources other than the public budget, and unfeasible contractual commitments. As of today, however, there is no evidence of actual decisions regarding these problems.

In the science and technology sector, the initiative of creating a subsidy for researchers that must be submitted to a peer review process (the Programa de Promoción al Investigador, PPI), originally intended as a policy to retain scientists, has had important side effects for institutions of higher education. In terms of quality and accreditation, the PPI has made available to institutions an imperfect but relatively uncontroversial and certainly easily observable indicator of the quality of research carried out. In addition, it has provided a useful tool for some modest attempts at rewarding performance, breaking or at least bypassing rules prescribing uniformity--like regulations about salary conformity; for instance, a university can match from its own budget the amount paid by the Ministry of Science and Technology (CONICIT) to those faculty members who qualify for the program.

Institutional responses

It is in the realm of institutional responses, perhaps, that the most dynamic changes have taken place in Venezuela. These changes are no substitute for the failures in public policy, but it is at least important for such constructive reform to take place (Navarro, 1995).

Instances of both incremental and radical change from above can be found. In the first category, several public institutions have undertaken important initiatives in creating university firms or foundations that are able to develop better relationships with private business (Lovera, 1994). Some universities are becoming active in the management of their substantial land holdings in major cities; several public universities actually own some of the most valuable real estate in Venezuelan cities, but have failed to get much from it. On the other side, some institutions have taken substantial steps on the way to recovering reasonable standards of effective governance: the University of Zulia (LUZ, which used to be the second largest in the country) actually reduced the number of employees and students--in the latter case by more than ten thousand--after a simple, although highly conflictual, enforcement of basic performance criteria. In a striking example of how it is indispensable to combine institutional with systemic or policy reforms, the CNU actually punished LUZ for becoming more efficient by lowering their budget allocation.

Some private institutions, in turn, free of many of the constraints of public universities, have become active in developing links with both private industry and social groups of different kinds--the close links forged by the Catholic University Andrés Bello with grass-root organizations constitute an outstanding example of this--and in incubating new or strengthening traditional approaches to advanced training in the sciences, humanities, and the professions.

The reform agenda

The corporatist nature of the CNU has led Hausmann (1993) and Brunner and Wolf (1992) to recommend its substitution by an intermediate, independent "buffer" organization that plays a role in allocating the budget relatively isolated from the pressures of the bargaining process among institutions. Monaldi (1992), Reimers (1993), and Navarro (1991, 1994) have written about the adoption of loan schemes and the elimination of free tuition policies, presenting scenarios in which equity and access are not negatively affected by reform, and, in some cases, are even improved. Páez (1993) has shown how substantial gains in internal efficiency can result from the enforcement of minimum achievement requirements for students in public universities. In a recent document prepared for a debate in the National Council of Education, Cortázar, Lovera, and Navarro (1996) outlined a reform proposal consisting of both an invitation to institutions to take charge of their responsibilities and some new policy measures, including the adoption of a budgetary rule based on outputs rather than inputs of higher education institutions--similar to the Dutch system previously recommended for Venezuela by Brunner and Wolff--and the introduction of institutional accreditation as a means for both channeling the booming private institutions and supporting a better focused reform of traditional universities. These proposals were well received by the Council, an advisory body to the Minister of Education. Notably, the Roundtable for Higher Education Reform, which took place in October of 1996 at the Institute for Advanced Studies in Administration (IESA), revealed widespread support for these kinds of proposals among university leaders, researchers, and public officials. At the roundtable itself, even more radical proposals were heard, such as introducing changes in the mechanisms for the appointment of university authorities.

All this offers grounds for moderate optimism for the future of higher education reform in Venezuela. Such reform would go in the general direction of change that has affected higher education systems in other countries in the region; according to Balán (1993) these are: abandoning incremental funding, stimulating private funding, rationalizing spending, promoting program and interinstitutional

differentiation, introducing evaluation, enhancing state capacity for regulating the system--which would go along with greater administrative autonomy for individual institutions, checking enrollment growth, and allowing flexible accreditation of new institutions. The end-state of changes like these would be a set of higher education institutions better prepared to provide effective contributions to Venezuela's new development needs.

Unfortunately, other developments, like the higher education bill currently advancing through Congress, are powerful reasons for pessimism. As in other sectors, relative abundance of resources delayed reforms in Venezuelan higher education, but for the first time in decades, a critical mass of public criticism and internal forces that understand the need for change seem to be building up.

References

- Balán, J. 1993. "Introduction" (to a special issue on higher education in Latin America). *Higher Education*. 25, no. 1 (January).
- Brunner, J.J. and L. Wolff. 1992. "Higher education in Venezuela: Issues and options for Reform." In L. Wolff and D. Albrecht (eds.), *Higher Education Reform in Chile, Brazil and Venezuela: Towards a Redefinition of the Role of the State*. (Washington, D.C.: The World Bank Latin America and the Caribbean Technical Department).
- Cortázar, J. M., A. Lovera and J. C. Navarro. 1996. "Propuesta de una reforma de la educación superior en Venezuela." Paper presented at the meeting of the National Council of Education. Caracas.
- Hausmann, R. 1993. "Sustaining Reform: What Role for Social Policy?" Paper prepared for the International Forum on Latin American Perspectives. Paris: BID-OECD.
- Lovera, A. (ed.). 1994. *Reconversión Universitaria* (Caracas: Fondo Editorial Trópicos. Fundación Gual y España. Fondo Editorial APUCV/IPP).
- Ministerio de Educación. 1995. "Reflexiones sobre la racionalización presupuestaria de la educación superior en Venezuela." Caracas: Ministerio de Educación. Mimeo.
- Monaldi, F. 1992. "Financiamiento de la educación superior y eficiencia en Venezuela." Caracas: Universidad Católica Andrés Bello. Mimeo.
- Navarro, J. C. 1991. "Venezuelan Higher Education in Perspective." *Higher Education*. 21 (2): 177-88.
- _____. 1994. "El impacto distributivo del gasto público en educación en Venezuela." In G. Márquez (ed.), *Gasto público y distribución del ingreso en Venezuela* (Caracas: Ediciones IESA).
- _____. 1995. "An Agenda for Research in Higher Education in Latin America: Exploring the Consequences of Diverse Disciplinary Perspectives." Cambridge. Mimeo.
- Páez, John W. 1993. "Eficiencia económica, criterios de evaluación y rendimiento estudiantil en la Escuela de Economía de la Universidad de los Andes: Algunas implicaciones académicas del área debajo de la curv de distribución normal." Universidad de Los Andes, Mérida. Mimeo.

Reimers, F. 1993. "The Feasibility of Introducing Loan Schemes to Finance Higher Education in Latin America: The Case of Venezuela." Washington, D.C.: The World Bank.

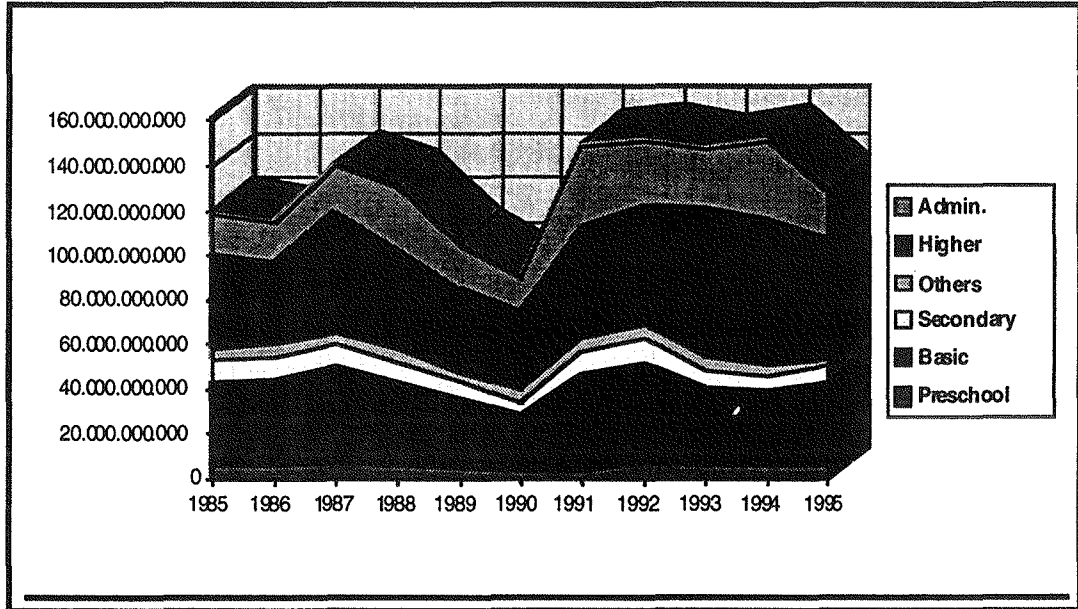
Silva Michelena, H. 1996. "Para una reforma de la educación superior en América Latina." In Horst Grebe López (ed.), *Educación superior: contribuciones al debate*. La Paz: Fundación Milenio.

Data Sources:

Ministerio de Educación. Selected years. Memoria y Cuenta. Caracas: Ministerio de Educación.

OPSU. 1990. Boletín Estadístico, No.13. Caracas: Oficina de Planificación del Sector Universitario.

Graph 1
Distribution of the budget of the Ministry of Education by level*
1985-1995



* Figures in 1992 constant bolivars (exchange rate 1 US \$= Bs. 79.50)
 Source: Ministerio de Educación, Memoria y Cuenta, several years.

Table 1
Evolution of the main budgetary dimensions of higher education
(1983-1995)*

Year	High. Ed. Budget	Index 1993=100	High. Ed./ Ed. Minist.	Spending per Student	Index 1983=100
1983	51,991,297,071	100.00	36.07%	137,101.34	100.00
1984	36,649,660,266	70.49	32.99%	95,557.04	69.70
1985	43,052,913,103	82.81	38.77%	98,090.97	71.55
1986	37,698,283,331	72.51	34.98%	85,341.59	62.25
1987	54,142,394,988	104.14	34.44%	115,844.33	84.50
1988	45,696,018,907	87.89	39.98%	89,638.88	65.38
1989	37,973,237,093	73.04	28.46%	71,802.47	52.37
1990	36,130,925,161	69.49	29.81%	65,689.01	47.91
1991	50,156,314,753	96.47	38.30%	89,931.64	65.60
1992	53,971,877,296	103.81	38.92%	97,552.29	71.15
1993	66,240,679,595	127.41	36.94%	110,794.64	80.81
1994	66,861,209,709	128.60	39.06%	112,495.81	82.05
1995	55,477,910,782	106.71	36.49%	93,343.10	68.08

* Figures in 1992 constant bolivars.

Source: Ministerio de Educación, Memoria y Cuenta, several years. OPSU.

Table 2
Internal efficiency of higher education institutions. Selected indicators*

	Universities		Institutes	
	Public	Private	Public	Private
Students/Professor (Full-time equivalent)				
Navarro (1987)	20.9	39.9		
Brunner and Wolff (1989)	16.1	16.6	39	44.4
Student/Employee				
Monaldi (1990)	11.45	34.61		
Graduation rates				
Navarro (1987)	31.2	62.3		
Brunner and Wolff (1989)	26	87	29	45
Student unit cost				
Navarro (1987)	1,804	644		
Brunner and Wolff (1989)	1,747	600	879	500
Graduate unit cost				
Brunner and Wolff (1989)	27,952	3,600		

* Figures in American dollars. Years in parenthesis indicate date for which calculation was made. Differences in estimates among authors are the consequence of subtle differences in assumptions.

Source: Brunner and Wolff (1992); Monaldi (1992); Navarro (1991).