

**New Dynamics of Latin  
American Higher Education**

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In 1950, there were only 75 higher education institutions in Latin America, mainly universities, with 266,000 students. Today there are about 3,900 universities and around 10,500 nonuniversity higher education institutions with an enrollment of 20 million students. In addition, while in the 1950s less than 2 percent of the age cohort (18–24) was enrolled in tertiary education, in 2010 it was 37 percent. In other words, Latin American higher education has been massified, leaving behind its minority and exclusive elitism; more—in Argentina, Chile, Cuba, Uruguay, and Venezuela—the gross-participation rate has passed 50 percent of the cohort. This dramatic transformation is changing our societies and bringing urgent educational, social, and public-policy challenges.

**MAIN FEATURES OF MASS HIGHER EDUCATION**

The landscape is chaotic, and national systems appear disordered and disorganized. Diversity is the dominant reality. There are institutions with different missions, dissimilar sizes, and diverse coverage of disciplinary areas;

student bodies with distinct socioeconomic compositions and cultural capital; staff with varied professional profiles, labor regimes, training styles, and teaching modes; varied academic divisions of labor; distinct forms of institutional governance and management, funding sources, and functional arrangements; and relations to society, the state, and stakeholders. The systems have all the features of a postmodern landscape—hybrid institutions, the synchronism of high and low culture, the coexistence of elite and the mass learning, fluid knowledge, the dominance of the short term, the potency of the market, the lack of grand narratives, and so on.

In fact, the rapid massification of Latin America's higher education is inseparable from the tidal wave of a global capitalism characterized by multiple networks and the intensification of knowledge in all economic, social, and cultural sectors. From a labor force with little education, Latin America's economically active population has an average of complete secondary education and above. Soon, some countries will have between a third to a half of employed young people with tertiary education.

### **PRINCIPLES OF ORDER**

Is our higher education as chaotic as it seems? Is it due to a lack of order, coordination, and leadership? I do not believe so. Rather, looking beyond appearances, one can discern structures that order these systems and certain patterns (not fully designed, different from command and control) of both coordination and leadership.

Three diverse categories have been organized but following internationally recognized rules of property, control, and funding. These are,

first, public/state higher education institutions; second, private higher education institutions whose ownership, control, and funding is in the hands of private persons or entities and do not receive direct state subsidies. Third, between these two types are private institutions, partially or completely supported from national taxes but with a private governance structure. Order has evolved through the distribution of enrollment and by the proportion of funding from public or private sources. These two parameters define the political economy of the systems.

Today, more than half of Latin America's higher education enrollment is provided by private institutions—most without direct, regular state, or public subsidies; around 35 percent of total higher education expenditure comes from private sources. Both private enrollment and funding in Brazil, Chile, Colombia, the Dominican Republic, El Salvador, Paraguay, and Peru are above the regional average, in some cases accounting for 50 percent in both categories. The combined forces of state and private agents are producing the massification of higher education. Latin America today is the region with the highest proportion of enrollment in private higher education institutions and the greatest proportion of funding from private sources—particularly households and student indebtedness.

Consistent with mixed political economies, the leadership and coordination of national systems are grounded in market competition, state regulation, and the institutions' strategic behavior—itsself produced by competition and regulation. Guidance, if any, is at arms length, with governments participating through regulations, incentives, and information; while the institutions themselves compete for students, academic staff, resources,

and prestige based on their position in the institutional hierarchy of a given system. In brief, the apparent disarray of Latin America's tertiary education is the result of market conditions, with competition between suppliers, weak or nonintrusive state framework, at best providing orientation with regulations, evaluations, and incentives (backed by subsidies), rather than control.

## **CHALLENGES**

Given these circumstances prevailing in Latin America, the first responsibility of governments (states) should be to guide market forces toward social welfare objectives and align the system's development to the general interest. The government, with other stakeholders, should establish a framework for priorities, benchmarks, and methods. Among the components agreement should be based on rules of the game and a commitment to a level playing field; institutions capable of regulating and controlling the system and agents' behavior; clear and accountable reporting requirements; guidelines and information about the volume and modes of state funding for this sector with a medium-term-time horizon.

An essential role for public authorities is to ensure quality. In Latin America some think, erroneously, that such activities reduce the market's coordination function and that quality is best represented by rankings of higher education institutions that then act as proxies for quality. Confronted with sharp information asymmetries, public authorities need to acknowledge that under conditions of intense competition, higher education markets often produce a kind of "arms race" that encourages a continuous cost spiral, with increasing pressure on both public finances and household/student incomes. The allocation

of subsidies by the government—both to suppliers (institutions) and for demand (students)—should be made with clear objectives and social priorities, by using a sophisticated and broad set of resource allocation instruments—competitive funds, performance agreements, formulas—which promote internal and external efficiency and act as stimuli for innovation and quality improvement.

Turning to higher education systems and institutions, the main challenge is human-capacity building involving many issues—for example, access to higher education; admission rules and how different institutions are selected; grades and titles; ideas and organization of curricula; teaching modes and pedagogic methods; the academic body and teaching personnel; and the transition from higher education to work and follow up of graduates in the labor market. Each of these dimensions should take account of supply diversity, from universities or nonuniversity institutions, whether academic-disciplinary or technical-vocational; whether they are elite or institutions with little or no selectivity, etc. The challenges are myriad, and the following paragraphs identify only a few salient features.

For access, the key issue is to take stock of the consequences of massive entrance. In particular, that for a period, an increasing number of students will come from households (in the lower three-income quintiles) with reduced economic, social, and cultural capital. The Program for International Student Assessment tests show that a high proportion of these young people have not developed, in secondary school, the minimum skills required to understand texts, manage numbers, and set out arguments based on scientific principles and the use of evidence. They often lack the capacity to learn on their own, a basic requirement for success in higher education. The institutions will have to

compensate for these deficits, just as public authorities help students with economic support (scholarships, student loans, etc.). If this does not occur, then dropout rates will continue at an estimated 50 percent in the region, which by any measure is a dramatic waste of talents and a serious squandering of public and private resources.

Facing massive training requirements, higher education institutions (encouraged by government policies) should revise curricula (widely regarded as rigid and mediocre) and premature specialization, in order to cultivate the socioemotional skills required by the new ways of organizing work and communication. These new arrangements will incorporate digital learning and continuous education and thus impact faculty training and instruction modes.

Further, higher education institutions and governments need to emphasize employability as part of education, without discarding other crucial aspects of learning, such as citizens' rights and responsibilities, individual career management, pluralism, and the appreciation of cultural diversity, etc.

To summarize, Latin American higher education has entered a new stage and needs to develop innovative concepts, and instruments to face the challenges of massification and universalization. Further, these challenges take place within mixed economic systems where governments, markets, and institutions interact and discover fresh arrangements to respond to social demands and ambitions, which aspire to leave poverty, authoritarianism, violence, and inequalities behind.