

first, governance was to be shared in equal parts by students, faculty, and alumni (later administrators) in everything from the election of the rector and other authorities to the minutia of day-to-day administration—a concoction that ended up generating participatory institutional deadlock. Autonomy called for complete freedom from governmental intervention in university affairs, together with full public funding, a formula that succeeded in ensuring university self-determination at the cost of turning them into solipsistic institutions isolated from external constituencies and accountable only to themselves.

Cogovernance was wiped off the Chilean institutional landscape in 1973 by the military dictatorship, and it has not been reintroduced since the redemocratization of the country in 1990. There is a wide consensus that everybody is better off without it. The traditional concept of autonomy, on the other hand, was shattered—first, by military inter-

vention, and, second, by overexposure to the market. The challenge for second-generation reforms is to define a new concept of autonomy adequate to deal with the requirements of accountability championed by the state and the struggle for survival imposed by the market. ■

### Notes

1. Inter-American Development Bank (IDB), *Higher Education in Latin America and the Caribbean: A Strategy Paper*. No. EDU-101 (Washington, D.C.: IDB, 1997); World Bank, *Higher Education: The Lessons of Experience* (Washington, D.C.: World Bank, 1994).
2. José Joaquín Brunner and Guillermo Briones, “Higher Education in Chile: Effects of the 1980 Reform,” in *Higher Education Reform in Chile, Brazil and Venezuela: Toward a Redefinition of the Role of the State*, ed. Laurence Wolff and Douglas Albrecht (Washington, D.C.: World Bank, 1992).
3. Corporación de promoción (CPU), *Informe sobre la educación superior en Chile, 1996* (Santiago: CPU, 1996).

## Postponing Reform: Achievements and Shortcomings of Higher Education in Venezuela

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Over the past 40 years, Venezuela has built up a large and diverse system of higher education. Starting in the 1960s, the rapid expansion of the lower levels of education soon produced an ever increasing demand for higher education, creating the opportunity for the proliferation of institutions and programs. Both public and private sectors played important roles in this expansion. Today, 650,000 students—in a country with slightly over 20 million people—are enrolled in 114 institutions, 53 of them private.

In the process, the higher education system in Venezuela contributed to the consolidation of a professional middle class, developed a limited number of world-class research centers and graduate programs, and created a wide variety of tertiary-level study options. Diversification was a key feature of the system’s development: 25 percent of students are currently enrolled in nonuniversity institutions, and in contrast to the typical situation in other Latin American countries, private nonuniversity institutions have grown alongside a strong public sector that also offers short career-oriented study opportunities. A national admissions test was developed in the early 1970s and has been implemented consistently ever since.

Yet, for all its achievements, criticism and pressure for reform have been mounting over the past decade. Some of

the problems are shared by other education systems in the region, the most critical being the failure to adapt financing and management arrangements to the massive scale that the system has acquired. This is probably the most critical issue as far as public universities are concerned. Free tuition reigns as the norm in all public universities, which are typically large and dominate the system in terms of enrollments. Given the severe equity and quality shortcomings at the primary and secondary levels, a substantial proportion of students entering public higher education—anywhere between 25 to 75 percent, depending on the public institution—come from families able to pay for at least a fraction of the cost of their higher education. This makes free tuition a highly inequitable subsidy; it is clearly also a highly inefficient one, preventing substantial cost recovery and leaving public institutions dependent on the public purse for almost all of their resources.

Another central issue has to do with the regulatory and governance structure of the system of higher education. The system is under the authority of the National Council of Universities (CNU), presided over by the minister of education, although the minister is clearly outnumbered by all the public university rectors and professorial and student representatives that are permanent members. Private universities and other institutions also have limited representation. The council is the body with the power to allocate funds among public universities and to make or change the rules that govern such allocations, as well as regulations affecting the system as a whole. In practice, the composition of the council means that it sets and enforces policy for the very same institutions that have a majority representation on it, a fact that has almost without exception resulted in gridlock and extreme aversion to fundamental reforms. Thus, each year, institutions allocate available public resources according to past patterns,

using some very general criteria (mainly, student numbers) to fine-tune the budgets. In practice, this creates strong incentives for institutions to maximize costs, rather than to develop any cost consciousness or introduce cost-cutting measures.

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The severity of the problems created by the current composition and powers of the council can hardly be overstated. Almost everywhere in the region, university student and faculty unions are vocal and influential. In Venezuela, however, this phenomenon has been taken to extremes, given the government's inability to formulate and implement coherent policies for the very institutions that, paradoxically, it is financing. In such an arrangement, the enormous transaction costs, the animosity among parties, and more often than not long strikes become part of the process—to the detriment of quality education, sound research, and good administration.

These problems have been clearly identified for at least a decade. Other institutions closely related to the higher education system have been promoting policy dialogue and supported higher education reform. Concerned groups of academic leaders have repeatedly met and produced documents urging change. Even an official top-level advisory group for the Ministry of Education has called for substantial reforms. Yet it has been very difficult to move in a constructive direction.

Reform has, however, taken place along the lines of least resistance. New public institutions based on nonconventional patterns of organization and strategy have been set up—such as an open university and another that emphasizes distance education and learning by experience. The University Planning Office, a technical advisory unit for the CNU, has failed to get systemic reforms passed, yet it has made good progress in designing accreditation and evaluation systems that could be put into effect should the right conditions appear. As has been said, the public sector has created new types of short-career institutions. Enlightened leadership recently led one top public university, the Universidad Simón Bolívar, to introduce a modest de-

gree of cost recovery, along with a substantial internal reorganization. However, when these moves created a predictable outcry among students; the policies failed to receive full support from the administration and have an uncertain future as this is written.

The fallout from the lack of reform has been far-reaching—in addition to the institutions, extending to the students and the academic communities themselves. Traditionally, the Venezuelan government has dedicated a particularly high share of its education budget to higher education—on average, 35 percent in the past 15 years. It is difficult to argue that this has not resulted, to some extent, in a neglecting of primary and secondary education. Key issues of quality and evaluation relating to both public and private institutions remain permanently low on an agenda crowded with budgetary disputes. Accreditation, probably the most important substantive reform issue for higher education, has made promising but only partial inroads in the area of graduate programs. Proposed changes in rules governing professors' salaries—aimed at reforming *homologación*, a legal arrangement that makes a salary increase in one institution automatically applicable to all professors in all institutions—remain blocked since they are seen as an attack on entitlements.

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In such a context, recent advances in the private sector, both in quantity and quality, and the increasing diversity of the system are probably the best news around—in addition to the still limited, but growing, reform pressures from within the public institutions themselves. The country, however, can hardly afford to postpone for long reforms of financial and decision-making arrangements. Institutions, in turn, will have to strengthen their leadership and management capabilities in order to participate constructively in the reform process that, sooner rather than later, will come. ■

#### **Author's note**

The author is senior education specialist at the Inter-American Development Bank. All opinions in the article are his own, and do not represent the position of the Bank.