the form of policies and of real action. Similarly, progressive policies to advance PHEIs ought to be meticulously implemented, without hampering the competitive spirit that drives private business.

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Mexico’s Strong and Sustained Private Growth: What Is Government’s Role?

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The new century has already seen a near doubling of Mexican private higher education (PHE) enrollment, now approaching one million students. This is a powerful surge—even though the growth in the private share of total enrollments, hovering just above 30 percent, is modest. For several basic social, economic, and political reasons, demand for publicly funded public higher education has continued unabated and government has continued responding liberally.

But what is the (national) government’s role in the striking recent growth of private higher education? While the left blames the government for laxity in allowing inappropriate private expansion, the right (though chronically complaining of restrictive regulation) mostly ignores the government’s role, instead attributing PHE growth to a healthy private market of supply and demand. In reality, one mistake is to imagine any clear government plan concerning the size of the PHE sector, while another mistake is to ignore the impact of government’s de facto role—through both inaction and action. Government has in fact facilitated the growth of PHE.

How? We identify two fundamental motors: 1. government inaction, namely a lack of purposeful policy on the size of PHE, and 2. government action (policies), aimed at public-sector reform. In this case, neither inaction nor action are designed to facilitate the growth of PHE, but each does. Government inaction has left ample higher education terrain free for private activity—and private suppliers have vigorously exploited the opportunities. Meanwhile, government action has, paradoxically, made the public sector less attractive.

Government Inaction Allowing Private Action

Government inaction is not new. The point here is government’s continued, benign accommodation of the private sector, or “permissiveness,” in critics’ words. This has allowed private institutions to form, become licensed for operation, and function legally. Restrictive regulations remain limited, making it perhaps as easy to start a private university as opening a tortilleria. A spate of new regulations in the mid-1990s was enough to arouse concern among PHE providers, but proved no decisive turning point. Good quality private institutions meet government regulations easily, while others find ways around them.

PHE’s vigorous exploitation of free space has recently assumed novel forms: private networks, for-profit chains, and online delivery. Online education is growing rapidly at the graduate level and 80 percent of that growth is private, but here we discuss only the networks and the chains.

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Private networks in Mexico come in multiple forms. The first began with the famed Tec de Monterrey’s 2002 founding of U Tecmilenio, which now stretches across 29 campuses in 18 states. Catholic networks rooted in several venerable elite Catholic universities in Mexico City followed closely behind. The Universidad Iberoamericana is now part of a seven-institution Jesuit network. Similar patterns hold for the (also Catholic) Universidad La Salle, Legionnaires of Christ, and Opus Dei. This surge of religious networks has not been reported in global PHE literature and undercuts any argument that, in Mexico at least, religious higher education is merely a lingering vestige of the past. A third wave of network creation has been a nonelite wave, including the large, demand-absorbing University Insurgentes; at mid-level, with strong job orientation, are the UNITEC and large Universidad del Valle networks. The robustness of all these private networks demonstrates that, in spite of the overall lack of government planning for PHE and even for higher education in general, multiple private groups have done their own planning—and followed through on it.

UNITEC and Universidad del Valle are also examples of another form of private expansion: for-profit and international. Given the ambiguity of Mexican legislation about
for-profit universities, businesses have long owned nonprofit universities paying rent for land and facilities, buying their curriculum, and so forth. What is new is ownership by a foreign international chain, itself focused on higher education. Easily the largest in Mexico, as it is in Latin America and all over the world, is Laureate Education (which includes UNITEC and Universidad del Valle in its holdings).

Public-Sector Reform
All of these new PHE forms reflect vigorous private initiative. In contrast, we will now turn to the government initiative to reform the public sector, where we can identify three salient areas: evaluation, study field distribution, and institutional diversification beyond the university. In each of these areas, the aim has been to make public higher education a more economically rational endeavor. But each initiative has had the unintended effect of creating obstacles to public expansion, and, in the last two areas, reforms have pushed students from the public to the private sector.

Evaluation: In the 1990s and into the new century, the government has turned against its own longstanding practice of distributing funds to public higher education largely based on enrollment numbers or precedent, without regard to performance level. This has been a blow to a major foundation of previously automatic public-sector expansion, which now depends in part on performance evaluation.

Study-field distribution: Similarly, Mexico’s government decided that it should discontinue funding traditionally popular fields of study that, once saturated by students, undermine the public interest. Thus, government placed admission quotas on medicine, civil engineering, law, business, and management. An unplanned result, however, has been that students, with the support of their families, mostly continued in their preferred fields of study—in no small part because these fields continue to provide a better income. Many applicants who fail to make the public universities’ field quota settle for openings in their desired fields in private institutions.

Institutional diversification: Likewise, government decided it should no longer automatically pay for a university degree for the great mass of higher education students. Such “overdemand” for university studies was said to follow social traditions, contributing to irrational saturation on the labor market. Already restrictive prestigious public universities came to reject up to 90 percent of applicants. Additionally, government halted the creation of public universities and from 1990 to 2009 created 343 new institutions of higher technical education, including two-year program institutions. But as the labor market continued to pay more for university graduates than for technical institution graduates, students not gaining admission to a public university often settled for a private university. In 2017, the government tried to partly offset this flow from public to private universities by launching the “A Place for You” program, meant to secure “second chance” access to a university (public or private) to those rejected by selective public universities.

In sum, without any grand overarching design or goal, the Mexican government continues to enable private growth in the education sphere. It does so through a generally accommodating policy for the private sector and through public-sector reforms that sometimes end up also promoting private sector growth—while the private sector actively seizes the opportunity to expand.

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Competitor Analysis in Egyptian Private Higher Education Sector

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Competition in the higher education market is increasingly changing the attitude of universities in the sector. In Egypt, the demand for higher education is growing and the sector is undergoing considerable change, with a range of new, private providers joining established publicly funded universities. The higher education sector in Egypt has witnessed considerable changes since launching Law n. 101 in 1992 on regulating private universities and Law n. 12 in 2009 on amendments to govern private and national (nonprofit) universities. Both laws have contributed to introducing the concept of “competition for customers” to the Egyptian higher education sector.

The establishment and operation of private profit-oriented universities in Egypt are regulated by the Supreme Council of Private Universities, a regulatory body within the ministry of higher education whose members include all presidents of private universities, in addition to some presidents of public universities. In 2014–2015, there were 2,624,705 students registered in the higher education system, of whom 110,859, or 4.2 percent, attended private universities, a small part of the total number. In 2016, 24 private profit-oriented universities were operating in Egypt; their main source of income is tuition fees. These universities do not receive any funding from government. Being financially independent, private higher education institu-