



Towards the Private Funding of Higher Education

Ideological and Political Struggles

EDITED BY
DAVID PALFREYMAN, TED TAPPER AND
SCOTT THOMAS

Towards the Private Funding of Higher Education

An almost universal driving force for contemporary change in universities is the shifting view of higher education as more of a private than a public good. *Towards the Private Funding of Higher Education* presents a contemporary global picture of this move towards the privatization of higher education, and examines how these shifts in ideology and funding priorities have significant policy implications.

The resulting developments, such as the imposition and escalation of student tuition fees and the emergence of online providers of higher education, emerge out of a combination of economic, political and ideological pressures, further enhanced by technological changes. By using multiple international and regional examples to analyse the various pressures for privatization, this book examines the different forms privatization has taken, while offering an analytical interpretation of why the privatization drive emerged, why it has been resisted in some instances and what forms it is likely to assume in the future.

Towards the Private Funding of Higher Education illustrates and challenges the emergence of a new relationship between the university, government and society. It is an essential read for higher education professors, university managers and higher education policy makers across the world.

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*Ideological and Political
Struggles*

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and Scott Thomas

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Contents

<i>Contributors</i>	vii
1 The funding of higher education: the oscillating balance between the public and private financing of the university DAVID PALFREYMAN, TED TAPPER AND SCOTT THOMAS	1
2 Distance learning and the rise of the MOOCs: the more things change, the more they stay the same ROBERTA MALEE BASSETT AND ALEX USHER	6
3 The ecology of state higher-education policymaking in the US JAMES C. HEARN AND ERIK C. NESS	19
4 The Australian hybrid: public and private higher education funding ANDREW NORTON	48
5 The United Kingdom divided: contested income-contingent student loans GARETH WILLIAMS	72
6 The robust privateness and publicness of higher education: expansion through privatization in Poland MAREK KWIEK	90
7 Germany: resistance to fee-paying BARBARA M. KEHM	112
8 Is higher education in Latin America a public good? Issues of funding, expansion, stratification and inequity ALMA MALDONADO-MALDONADO AND JOSÉ HUMBERTO GONZÁLEZ REYES	124

vi • Contents

9	Higher education development in China: fast growth and governmental policy since the Chinese economic reform of 1978 SHUMING ZHAO AND YIXUAN ZHAO	143
10	Whither the Japanese system of higher education? Higher education as a public and private good – differentiation and realignment FUMI KITAGAWA AND AKIYOSHI YONEZAWA	162
11	How inexorable is the shift from the public to the private funding of higher education? DAVID PALFREYMAN, TED TAPPER AND SCOTT THOMAS	177
	<i>Index</i>	185

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8

Is higher education in Latin America a public good? Issues of funding, expansion, stratification and inequity

ALMA MALDONADO-MALDONADO AND
JOSÉ HUMBERTO GONZÁLEZ REYES

Higher education in Latin America has expanded rapidly in the last 15 years; the net gross enrolment has grown from 20 percent in 2000 to 43 percent in 2013. The size of the current higher education system stands at 20 million students, 10,000 institutions and 60,000 programs (Ferreira, *et al.*, 2017: 2). At the same time, although growth varies by country, most private higher education sectors in Latin American countries experienced at least a 7 percent growth during these 13 years. (Ferreira, *et al.* 2017: 12). In this context, the debate on whether higher education is considered a public good or a private is relevant since the enrolment keeps increasing but the resources are not always sufficient to fund it adequately, especially in the public sector. Balán and Trombetta (1996, 388) noticed 2 decades ago that the discussion over the budget became ‘the principal focus of debate on higher education policies’ in the region.

In June 2008, the Latin American and the Caribbean Regional Higher Education Conference stated: ‘Higher education is a social public good, a universal human right and an obligation of the State’. The Conference also considered that higher education must play a strategic role in the region’s sustainable development process (OEI, 2017). This was the declaration they agreed to present at the World Conference of Higher Education organised by UNESCO held in Paris in 2009. During this conference, the Latin American delegation wanted to ensure their position was established in the final declaration, and threatened to walk out without signing if higher education was not explicitly defined as a public good in that document (Maldonado and Verger, 2010). For Latin American delegates, the inclusion of higher education as a public good would have been regarded as a triumph, as they believed it would protect public funding for higher education in their countries and others in the region, especially in the face of the world economic crisis that was unfolding. For other countries, such as the United States, adding this clause would be impossible because their higher education system involves a public sector, non-profit private sector and for-profit private sector. Therefore, the declaration as such did not go forward, but the situation reflects the dominant

way that higher education has been perceived in the region. After a process of negotiation, the final declaration stated: ‘Higher Education as a public good is the responsibility of all stakeholders, especially governments’ (UNESCO, 2009). This story reflects in many ways the tensions between the public and the private sector in the region and more importantly the debate on the financing of higher education in general.

Currently, two issues seem to converge in the Latin American region: 1) a rhetorical emphasis on the importance of higher education with a lack of supportive data from those who defend public universities and 2) a political position that emphasizes the individual benefits of higher education in order to reduce the pressure on the government to allocate more economic resources to this sector. This rhetoric includes the acceptance that higher education fully contributes to the development of Latin American societies because it educates their citizens, increases social mobility and represents the best space to allow critical thinking and social debates; it develops Latin American culture and helps to disseminate it to society; it produces scientific and technological innovation; and it enhances their democratic systems. While these are all great possible contributions of higher education, they are not backed with supportive evidence. At the same time, most Latin American governments would agree on paper that these are important contributions by higher education, but the public financing provided conveys something different.

Therefore the dilemmas of Latin American higher education discussed in this paper are: its growth (which is closely related to demographic growth in the region); its insufficient funding of public (and mostly free) institutions; its increase of private institutions but with less quality within or less control over the education offered; its lack of accreditation mechanisms and quality insurance controls; and its limited access for those with the lowest quintiles or deciles of income. Specifically, this chapter first discusses higher education funding in the region (including the science and technology funding, and the financing of the main Latin American universities); it then presents a general view of the growth of the private sector (and especially the for-profit institutions) in the region; third, it discusses the stratification of the higher education systems in Latin America; fourth it includes an analysis on how the stratification of the higher education systems affects inequity and whether higher education can be defined as a public good, before presenting some concluding remarks.

Higher education and Latin America

There are many ways to look at funding in higher education. It can be understood in terms of public expenditure, when the State provides a part or most of the funding. As an indicator, expenditure can be measured in terms of gross domestic product (GDP), but could also be analysed in terms of absolute numbers (in this case cost per student), not just percentages or proportions. According to UNESCO (2012), Latin American and Caribbean countries have

raised their average public spending on education from 4.5 percent of GDP in 2000 to 5.2 percent in 2013, which compares to the United States' investment of 5.6 percent of its GDP on education. Translated into cost per student, in the United States the average amount spent per student is \$27,924 dollars, in Germany \$16,825, in Mexico \$7,568, in Brazil \$13,540 and in Chile \$7,880 dollars per student (OECD, 2016). The size of the higher education system should be always taken into consideration with this data: the US has 19.5 million students, Germany 2.9 million, Brazil 8.1 million, Mexico 3.5 million and Argentina 2.8 million (UNESCO, 2017).

In Latin America, private investment on education represented 2.1 percent of GDP in 2010, which is higher than the OECD average of 0.9 percent. This data is disconcerting considering that Latin American countries have higher levels of poverty and inequality, which means that students from poor families and students themselves are often paying for their own education.

Despite differential growth throughout Latin American countries, public spending on education has been on the rise, at least between 2000 and 2013 when Ecuador's considerable 337 percent growth in spending overshadowed other countries such as Peru, where growth was below one percent (Graph 1).

On the other hand, although Ecuador had the highest increase in education spending as a percentage of GDP, Cuba still led the region in 2013 with 12 percent of GDP destined for education, which is far greater than other major Latin American economies such as Brazil, Argentina and Mexico.

If the percentage of GDP invested is analysed in each level of education in Latin American countries, primary schools receive the most funding, followed by secondary schools, while tertiary education is allocated the lowest

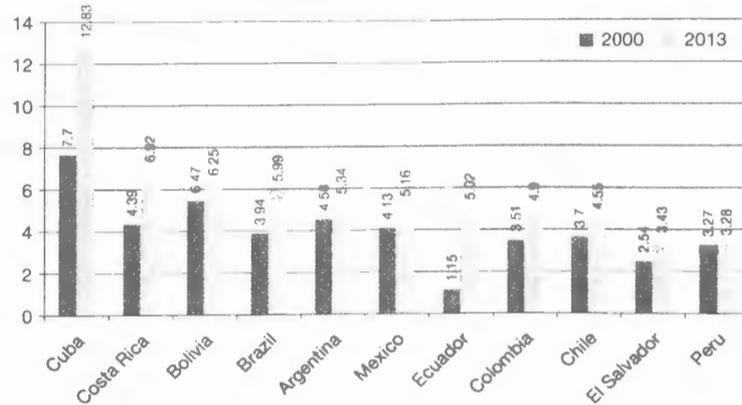


Figure 8.1 Percentage of GDP invested in education (all levels) in selected Latin American countries. 2000–2013

Source: UNESCO (2017). *Unesco Institute for Statistics*. Retrieved 3 January 2017 from <http://data.uis.unesco.org/Index.aspx>. Graph elaborated by the authors.

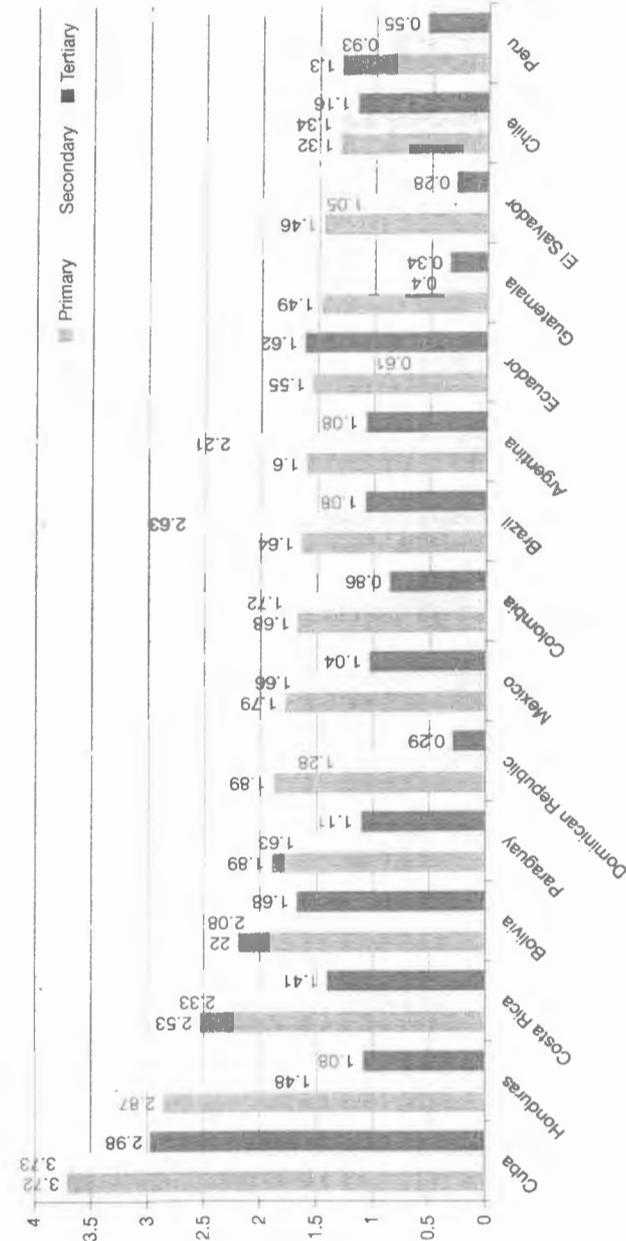


Figure 8.2 Government spending as a percentage of GDP per level of education in selected Latin American countries

Source: UNESCO (2017). *Unesco Institute for Statistics*. Retrieved 20 February 2016 from <http://data.uis.unesco.org/Index.aspx>. Graph elaborated by the authors.

amount of funding. According to available data, Cuba has the highest all around school investment in the region. Meanwhile, Peru trails in the region for primary school funding, Guatemala has the lowest secondary school spending and El Salvador is behind all other Latin American countries for tertiary education funding (Graph 2).

Science and technology funding

Higher education and science and technology development feed off each other. Higher education prepares future scientists and students who in turn develop science and create knowledge that makes higher education relevant, which is why the data on funding is so important. In terms of percentages of GDP, Latin American countries have raised their average science and technology spending from 0.53 percent in 2000 to 0.67 percent in 2013. During this period, Brazil became the highest spender in this area, increasing funding from 0.99 percent in 2000, to 1.23 percent of GDP in 2013. In other words, Brazil's science and technology spending has grown 24 percent and surpassed regional averages (Graph 3).

However, when contrasting Latin American investments with those made by the United States (2.81 percent in 2012) or the United Kingdom (1.63 percent in 2013) or other developed countries, the overall funding is still very low. Some of the countries have even bigger percentages in science and technology such as Israel (4.21 percent in 2013); Japan (4.15 percent in 2013); or Korea (4.15 percent in 2013) (Maldonado, 2017: 61). The same can be said for private science and technology funding which is very limited in Latin America where most research is publicly funded. On the other hand, in the case of Brazil, it is important to note that the country is currently experiencing a financial crisis

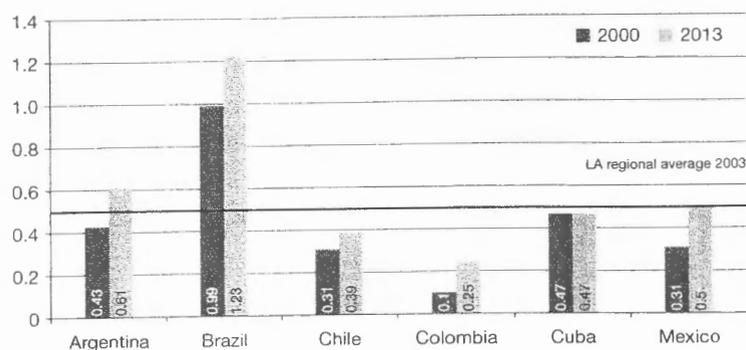


Figure 8.3 Science and technology spending as a percentage of GDP in selected Latin American countries 2000–2013

Source: UNESCO (2017). *Unesco Institute for Statistics*. Retrieved 20 February 2016 from <http://data.uis.unesco.org/Index.aspx>. Graph elaborated by authors.

and has reduced its expenditure on science and technology. A recent example was the cancellation of the programme 'Science Without Borders' which started with an initial budget of 1.2 billion dollars and was later dissolved (Sá, 2016).

Funding for Latin America's main universities

In 2015, the National Autonomous University of Mexico (UNAM) had the highest budget in the region with 2.5 billion dollars (Table 8.1).

However, official figures do not always tell the full story. Many institutions may not record all funding in their financial reports. Second, funds received by universities should be contrasted with student body size, faculty size and the diversity of academic programmes and activities offered. Third, student fees, scholarships, selection procedures and services offered must also be taken into account. The full extent of education costs at this level is complicated and difficult to grasp not only in Latin America, but is true generally.

In her recent book, *Paying the Price*, Sara Goldrick-Rab (2016) explains the problems that higher education students in the United States must overcome to make ends meet, even when receiving some degree of government support. Students face the complexities of academic demands, paying for fees and living expenses while juggling support programmes while some may barely have the funds to feed themselves. Similar studies are yet to be conducted in Latin America, where fees are much lower, but signs point to comparable difficulties for students who may make great sacrifices to stay in school, especially underperforming students from low socio-economic backgrounds who are left with no option but to pay for their education at low-quality private universities if rejected by the heavily subsidised prestigious public universities.

Table 8.1 Funding for Latin America's Main Universities, 2015

University	Country	Budget 2015 (USD)
University of São Paulo	Brazil	1,676,959,328
University of Chile	Chile	981,692,372
University of Buenos Aires	Argentina	777,527,876
National Autonomous University of Mexico	Mexico	2,520,406,298

Please note: 2015 budgets in US dollars were converted according to local January 2015 rates. Source: USP: Coordenadoria de Administração Geral (2016). *Demonstrativos de receitas e despesas*. Viewed January 8 2017. Tomado de <https://usp.br/codage/?q=node/5>. U de Chile: Dirección de Finanzas y Administración Patrimonial (2016). *Información pública*. Retrieved January 8 2017 from <http://uchile.cl/portal/presentacion/informacion-publica/77241/presupuesto>. UBA: Universidad de Buenos Aires. (2016). *Presupuesto 2015*. Retrieved 9 January 2017 from <https://df.uba.ar/es/institucional/pagina-del-director/51-institucional/pagina-del-director/7013-presupuesto-uba-2015>. UNAM: Universidad Nacional Autónoma de México. (2015). *Agenda estadística 2015*. Retrieved 9 January 2017 from <http://planeacion.unam.mx/Agenda/2015/pdf/Agenda2015.pdf>

The growth of private higher education in Latin America

In the late 1960's and 1970's, private higher education systems became prominent in most Latin American countries. The rise of private education establishments was partly a result of social elites departing from public institutions—which became more and more available to the masses—to more exclusive institutions (Levy, 1995). Other causes were the saturation of the public sector due to increased demand for places in public universities stimulated by demographic growth, the search for other education options not offered in public institutions and a loss in prestige of public higher education institutions.

In 1960, an estimated 31 percent of higher education institutions in Latin America belonged to the private sector. By 1970, this percentage grew to 46 percent, and by 1995 54 percent of tertiary establishments in the region were private. The percentage of students enrolled in private institutions in 1960 was 15.2 percent, but by 1970 the number doubled to 30.5 percent. By the mid 1990's, the proportion of students enrolled in private higher education institutions reached 38.1 percent (García, 2007). This expansion has been supported strongly by the private sector as Ferreyra *et al.* (2017) pointed out.

In 2014, according to UNESCO (2017), an average of 43 percent of higher education students were enrolled in private schools in Latin America. However, analysing each country individually reveals that the private sector is more consolidated in some places than others, with Brazil and Chile, surpassing the regional average in terms of private higher education enrolment (Graphs 4 and 5).

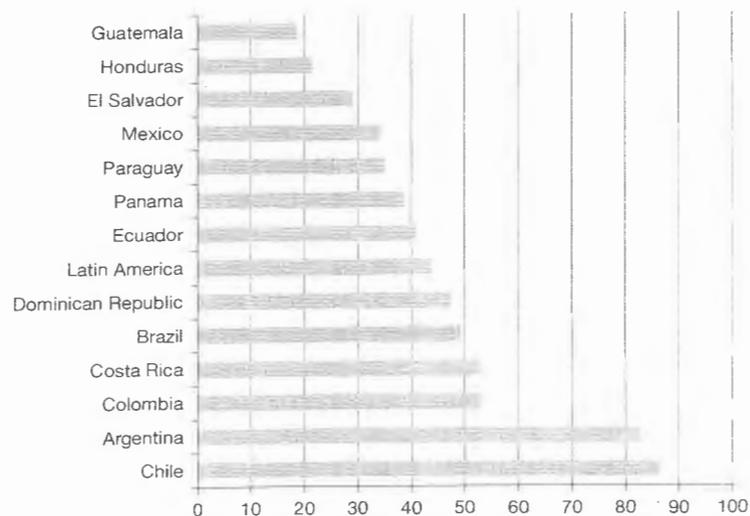


Figure 8.4 Gross enrolment ratio in higher education in Latin America (selected countries) (2014)

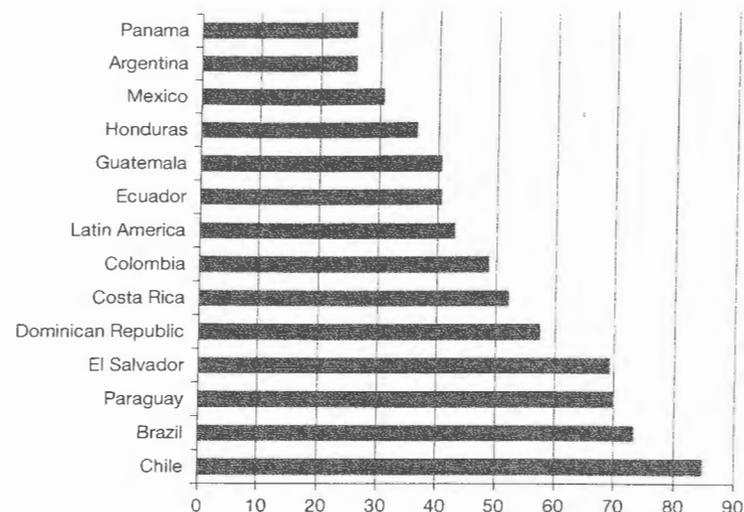


Figure 8.5 Percentage of the private higher education enrolment in Latin America (selected countries) (2014)

Source: UNESCO (2017). *Unesco Institute for Statistics*. Retrieved 20 February 2017 from <http://data.uis.unesco.org/Index.aspx>. Graph made by the authors.

Even though Chile reached nearly 84 percent higher education enrolment in 2014, this was largely due to a strong private sector, which accounts for more than 80 percent of enrolment in that country. Meanwhile, in countries like Brazil, Paraguay and El Salvador, where gross enrolment in higher education is below the regional average, the private sector remains strong. In Chile, on the other hand, the private sector is correlated with resources allocated to higher education; the growth of the private sector would appear to be a consequence of historical and political situations rather than simply a direct result of investment in higher education. Furthermore, in the Dominican Republic and El Salvador the strength of the private higher education sector coincides with a low percentage of public spending for higher education in those countries, which has created the ideal conditions for private sector providers to thrive.

Private higher education in Latin America has contributed to the diversification and stratification of the systems, although each case should be analysed individually, as some countries have more regulation of private institutions; for example, in some countries these institutions can access public funding and in other cases the private institutions can conduct activities that traditionally only public institutions have conducted, such as basic research. In several Latin American countries there are no major differences between for-profit and non-profit higher education institutions like in the US. However, there are reports of an increase in for-profit private institutions. The most recent World Bank

report on the region quotes Brunner and Ferrada (2011) who note that ‘the expansion of the private sector can be partly explained by the fact that for-profit HEIs are now allowed in at least seven countries in the region’ (Brunner and Ferrada, 2011). They are: Bolivia, Brazil, Chile, Haiti, Mexico, Panama and Peru (Ferreya, *et al.* 2017: 100). Rama (2012) points out that the for-profit higher education sector has a presence in at least 65 percent of the Latin American region (Rama, 2012). Also, according to Levy (2011), Brazilian for-profit institutions account for 19 percent of total enrolment (p. 390). Unfortunately, there is little to no information about this sector in other countries. However, the participation of transnational for-profit universities such as Laureate have an important presence in Mexico, Chile and Brazil, but as Levy points out, Latin America was unprepared for these for-profit institutions in terms of not having a solid system of accreditation and quality assurance, as well as the absence of a complete set of legal norms to regulate such services (p. 390).

The issue of stratification

Most Latin American countries were conquered by the Spaniards who established universities as part of the process of colonisation, which means that the oldest universities in the Americas are in Latin America, not the United States or Canada. For instance, the University of Santo Domingo was established in 1538, the National University of San Marcos in 1551, the Royal and Pontifical University of Mexico in 1551, the Pontifical University of Cordoba in 1613, the Royal and Pontifical University of San Carlos Borromeo in Guatemala in 1676 and the Royal and Pontifical University of San Jeronimo in Cuba in 1721. Indeed, some of these universities became the National Universities in these countries where their traditions and importance are still relevant in the region. The Portuguese, on the other hand, had a different approach regarding higher education: Brazilian universities were created after the country obtained its independence, which was the case of the Federal University of the Amazonas founded in 1909 and the University of São Paulo founded in 1934. Before the founding of these universities, the only antecedent was the Royal Academy of Artillery, Fortification and Design.

Understanding the historical and current role of universities is necessary because many Latin Americans still perceive attending traditional universities to be more prestigious and important than attending other, newer types of higher education institutions. Of course, the rate of returns approach provides evidence that higher education in general is relevant economically speaking to the individual: ‘the average returns to schooling are highest in the Latin America and the Caribbean region and for the sub-Saharan Africa region’ [. . .] ‘The returns are lower in the high-income countries of the OECD’ (Pshacharopoulos and Patrinos, 2004: 112). The rate of returns in Latin America for higher education graduates is still significant. The higher education graduates can earn 104 percent more than those who only study secondary education. Actually,

attending college for just one year can improve a person’s earnings by 35 percent in comparison to those who only study secondary education (Ferreya *et al.*, 2017). However, not all higher education institutions are the same and the value of the diplomas varies per institution as in all countries.

To offer a better idea regarding the stratification of the higher education systems in Latin America, Graph 6 illustrates the percentage of non-universities offering higher education in selected Latin American countries. In places like Peru or Venezuela, the non-universities represent almost 40 percent of the total institutions. Some characteristics of the non-universities are: limited autonomy; limited academic programmes (sometimes they mostly offer short or technical programs); a small number of students and academics; lack of regulations in terms of accreditation and quality assurance; absence of research activities; and poor working conditions for academics (González, 2007). In countries like Colombia, these institutions have an important presence; for example, in 2003 about 18 percent of its students were enrolled in these types of institutions, but in 2013, this percentage increased to 50 percent (Ferreya *et al.*, 2017). While these non-universities institutions do not necessarily offer poor quality education in their programmes, it is very possible that they have fewer resources, their application processes are less selective, they have less demand, and the range of programs is more limited compared to traditional universities.

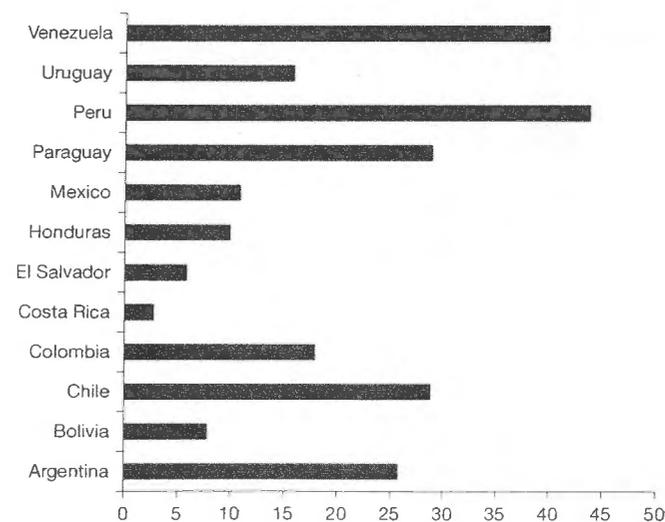


Figure 8.6 Percentage of the higher education enrolment at non-university higher education institutions in relation to the total enrolment in Latin America, 2003.

Source: González, H. (2007). *Instituciones de educación superior no universitaria*. En IESALC (Coord.). *Informe de la educación superior en América Latina y El Caribe 2000–2005. La metamorfosis de la educación superior*. Retrieved 16 April 2017 from <https://goo.gl/0ksFWG>

In contrast to the previous graph, Table 8.2 shows the percentage of enrolment in the most prestigious universities in five Latin American countries, which appear in the global rankings (Maldonado and Cortes, 2016). Even though the total higher education enrolment in Latin America constitutes 12 percent of worldwide higher education enrolment, the presence of Latin American higher education institutions in global universities rankings is not very high. In the case of Argentina, the three top institutions in such rankings, which are public universities, represent almost 30 percent of the total enrolment of the country since the access to the University of Buenos Aires is unrestricted but its dropout rate is very high. However, it is a considerable percentage, especially when compared to other countries. The enrolment of the three most prestigious public universities in Mexico represents 9 percent of the country's total enrolment. The Monterrey Institute of Technology and Higher Education, the top prestigious private institution according to the same rankings, only represents 1.4 percent of the total national enrolment. But other prestigious Latin American universities account for even less enrolment in their countries. For example, in Chile, the enrolment of the top three institutions amounts to 6.6 percent of the total national enrolment, and the two public institutions represent only 4.28 percent of the total enrolment. In Brazil the situation is even more dramatic since the enrolment of the three most prestigious institutions hardly represents 3 percent of the national enrolment of the country, and in Colombia, the two top public universities represent 2.64 percent of the national enrolment, which when added to the top private institution's enrolment increases to 3.57 percent.

Prestige matters to Latin American higher education institutions. The best example is the relevance that global rankings have acquired in the region, even when their presence there is still marginal. Nevertheless, in most cases, except for Argentina, these institutions do not constitute a significant proportion of national enrolments. These institutions presumably receive a considerable amount of public financing (see Table 8.2 below). Again, the question is to what extent the educational services they provide can be considered a public good or whether in the context of these societies they represent more of a private good. Naturally most of these institutions contribute in many other ways that go beyond serving students, for instance in terms of knowledge production and dissemination, offering cultural activities, creating spaces for critical and social thinking and so on, but as mentioned before, these contributions are still very blurry according to the current evidence and data.

In economic terms, having stratified systems is justified because 'returns from the types of higher education that traditionally have had restrictions on entry are markedly higher than returns from studies with free entry. This result in unquestionable (Aarrestad, 1972: 274). This basically means that if everybody had access to the same universities, the value of higher education would decrease; for example, lately the rate of returns for higher education graduates have decreased given the expansion of enrolment (Ferreyra *et al.*, 2017).

Table 8.2 Total enrolment of selected universities in Latin America in relation to the total enrolment per country

<i>Higher education institutions by country</i>	<i>Enrolment</i>	<i>Percentage in relation to total enrolment</i>
Argentina	1 871 445	100
University of Buenos Aires	324 288	17.32
National University of la Plata	116 954	6.24
National University of Córdoba	122 522	6.54
Brazil	8 027 297	100
University of de São Paulo	86 000	1.07
State University of Campinas	34 652	0.43
Federal University of Rio de Janeiro	67 329	0.83
Chile	1 217 675	100
Pontifical Catholic University of Chile	28 311	2.32
University of Chile	29 883	2.45
University of Santiago de Chile	22 378	1.83
Colombia	2 109 224	100
University of Los Andes	19 658	0.93
National University of Colombia	51 161	2.42
University of Antioquia	4 711	0.22
Mexico	4 339 665	100
National Autonomous University of Mexico	225 495	5.19
Metropolitan Autonomous University	56 606	1.30
National Polytechnic Institute	113 176	2.60

Sources: The numbers include graduate students. Instituto Nacional de Estudos e Pesquisas Educacionais Anísio Teixeira. (2016). *Sinopses Estatísticas da Educação Superior*. Retrieved 16 April 2017 from <http://portal.inep.gov.br/sinopses-estatisticas-da-educacao-superior>. Universidade de São Paulo (2017). *80 anos de excelência*. Reviewed on April 16, 2017. Retrieved from <http://usp.br/institucional/a-usp/historia/>. Unicamp. (2017). *Alunos*. Retrieved 16 April 2017 from <http://unicamp.br/unicamp/alunos>. Universidade Federal do Rio de Janeiro. (2017). *UFRJ em números*. Reviewed April 16, 2017. Retrieved from: <https://ufrj.br/docs/lai/ufjr-em-numeros-2013.pdf>. Universidad Nacional Autónoma de México. (2017). *Estudio Comparativo de las Universidades Mexicanas*. Retrieved 16 April 2017 from <http://execum.unam.mx/>. Consejo de Rectores de las Universidades Chilenas. (2015). *Proceso de admisión 2016*. Retrieved 16 April 2017 from <http://psu.demre.cl/publicaciones/2016/2016-15-08-06-universidades-cruch-y-adscritas>. Consejo Nacional de Educación. (2017). *Índices educación superior*. Reviewed on April 16, 2017. Retrieved from http://cned.cl/public/secciones/SeccionIndicadoresPostulantes/Indicadores_Sistema.aspx. Secretaría de Relaciones Institucionales, Cultura y Comunicación de la UBA. (2012). *Nuevo Sistema de Información Permanente para la realización de censos*. Retrieved 16 April 2017 from <http://uba.ar/comunicacion/noticia.php?id=3319>. Universidad Nacional de La Plata. (2017). *Anuario Estadístico 2016: Indicadores Comparados*. Retrieved 16 April 2017 from <http://unlp.edu.ar/indicadores>. Universidad Nacional de Córdoba. (2017). *La UNC en cifras*. Retrieved 16 April 2017 from <https://unc.edu.ar/sobre-la-unc/>. Secretaría de Políticas Universitarias. (2017). *Anuario de Estadísticas Universitarias*. Retrieved 16 April 2017 from <http://portales.educacion.gov.ar/spu/investigacion-y-estadisticas/anuarios/>. Dirección de Planeación y Evaluación. (2017). *Universidad en cifras*. Retrieved 16 April 2017 from <https://planeacion.uniandes.edu.co/universidad-en-cifras/universidad-en-cifras>. Dirección Nacional de Planeación y Estadística UNC. (2016). *Informe de gestión 2015*. Retrieved 116 April 2017 from http://onp.unal.edu.co/ADMIN_ONP/ADJUNTOS/20160212_160226_Informe_de_gestion_DNPE_2015.pdf. Ministerio de Educación Nacional. (2014). *Estadísticas de educación superior*. Retrieved 16 April 2017 from http://www.mineducacion.gov.co/sistemasdeinformacion/1735/articles-212350_Estadisticas_de_Educacion_Superior_.pdf.

Nevertheless, Marginson (2016) points out that in measuring 'the hierarchy of value in higher education – stratification in its different forms, is the keystone issue' [...] 'stratification interacts closely with competition, and reduction in one mostly leads to reduction in the other' (Marginson, 2016, Loc 4639). According to Marginson, if the value of higher education is not similar between institutions, this prevents higher education from contributing to society in terms of democracy, equality and solidarity (Marginson, 2016). Clearly the value of higher education in Latin America is not equal and there is a long way to go to achieve this goal.

Discussion: defining higher education as a public good: Stratification and inequities

According to Marginson (2016), one of the main obstacles in the discussion of higher education as a common good is the stratification of the system. When universities are highly stratified by prestige, size of the institutions, quality, rankings positions it is more difficult to argue that higher education is a common or public good. In fact, Marginson seems very convinced that the Nordic countries have found a better balance in terms of access to higher education institutions, as the difference among universities in countries like Finland or Norway is remarkably less than in countries like the United States or the United Kingdom. If Scandinavia is the ideal model, then the Latin American higher education systems are very far from it since our countries generally lack an institutional equilibrium. In Latin America, the top public institutions hardly constitute important proportions of the total enrolments, but the problem of access in terms of the general population is an even larger social problem for the whole region with some exceptions like Chile with 84 percent enrolment or Argentina with 80 percent (Maldonado and González, 2016). Regarding the large number of students who attend other institutions (the non-universities), the chances of accessing the top institutions are especially limited if they belong to the poorer segments of society.

As was mentioned before, Latin American higher education is facing many challenges: increased demand for the services; lack of control over private sector growth – particularly of the for-profit universities; strong inequity between the access of the poor and the rich; lack of relevance (in terms of social mobility and their academic programmes); and insufficient public resources.

In this context, it is interesting to note that most Latin American authors assume higher education is a public good without questioning its conceptual contradictions and theoretical implications. The very few who have discussed this, such as Da Silveira (2015) or Rodríguez (2014), follow Samuelson's position, but as Marginson (2016) argues, 'Samuelson's framework is useful in identifying minimum necessary public costs but not for exploring the potential for public goods above that baseline' (Loc 1923). Indeed, much of the debate on higher education has been informed by the work of Samuelson (1964) who

defines public goods as being 'one or both . . . non-rivalrous and non-excludable.' . . . Goods are non-excludable when the benefits cannot be confined to individual buyers, such as clean air regulation. Private goods are neither non-rivalrous nor non-excludable. They can be produced, packaged and sold as individualised commodities in markets.' (Marginson, 2016, Loc 1500). Samuelson concludes by saying that defining first whether a good is public or private cannot determine how to treat such a good, but apparently in the world of higher education, most people tend to take a position before deciding how to treat that good:

The debate around the definition of higher education as a public good has many layers. From an economic point of view, defining something as a public good means that it should be available to others, just like the air people breathe, public parks and knowledge itself. Their use of the good does not preclude its use for others, according to classic economists.

However, higher education is not available to everyone, especially in developing countries, at least not in ideal conditions since higher education opportunities in most countries around the world are based on social class background. Thus, the matter of higher education as a public good is more or less answered but other questions remain: Do people have a right to higher education? Is it merely a public service? Should it be the state's responsibility? Or is higher education a private good with public benefits? (Mas-Colell, Whinston, and Green, 1995: 359) . . .

Marginson (2016) suggests a new way to look at this debate.

'It is accepted that higher education is a common public good, in which its private benefits are seen as a function of its public nature' (Loc 344) . . . 'The common good is understood in terms of social solidarity, social relations based on universal human rights and equality of respect' (Loc 380) . . . 'The first kind of common good is commonality across national borders, which is a global public good' (Loc 380) . . . The second common good offered by higher education is the formation of common relationships and joint (collective) benefits in solidaristic social relations within a country—national public goods.

(Marginson, 2016)

But why should the stratification of the Latin American higher education matter? In part, the answer is attached to the increasing worldwide dialogue on inequality and inequity. Recent economists who have addressed the issue of inequity consider that education and knowledge may be the key factors to fight these problems. Piketty (2014) argues that during a long period of time the main force that can achieve more equity is knowledge dissemination and skills. Stiglitz (2012) and Atkinson (2015) also consider that inheriting privileges in

education can be problematic. However, these authors, including Deaton (2013), do not go beyond this recognition that access to education and dissemination of knowledge can contribute to a reduction of inequities. But they do not suggest concrete ways to reach such goals; perhaps this is a task that people in higher education must do. In any case, stating that higher education will help to reduce inequities while not addressing the inequities that already define higher education, as is the case with Latin America, seems merely a rhetorical response.

Stiglitz (2012) for instance recognizes that parents with better and more resources can send their children to better schools, and as a consequence, these students have better chances to study at the top colleges (what he defines as 'intra inequity'). This is an excellent way to analyse what happens in many Latin American countries. 'From 2000 to 2013, access of the less privileged population to higher education increased by only 7 percent. On the contrary, the more privileged population increased its access to higher education by 6 in the same period (SITEAL, 2015)' (Maldonado and González, 2016). This growth will not be enough to reach a larger participation in the higher education sector from the most disadvantaged students. The gap will not be reduced between the rich and the poor at this pace. Clearly this is at least the case for Mexico, and probably other very unequal countries like Brazil, where the access to higher education is almost impossible for the poorest students, especially those from families in the lowest two deciles (or first quintile) of income whose chances to complete a college degree are practically zero (Solís, 2015). Currently about 10 percent of Mexican students who belong to the two lowest deciles of income have access to higher education versus about 60 percent of Mexican students who belong to the two highest deciles. Another example of this situation is represented by Chile and Brazil:

"The majority of students enrolled in higher education in Latin American countries are still mostly from those families with the highest income". In Chile 62% of the highest income quartile population in tertiary education age are enrolled in higher education against only 21% of those from the lowest income quartile. In Brazil, about 47% of the highest income quartile population is enrolled in tertiary education, while only 5% of the lowest income quartile population is enrolled in tertiary education.

(Heitor and Horta, 2014: 65)

Moreover, the types of institutions each segment can access should be analysed. One main question is the expenditure of higher education, especially for the poorest families whose educational expenses sometimes include costs of living, food and clothes in addition to tuition. The situation is even worse when the only chance for low income students in Mexico is to attend to low-quality private universities (mostly garage universities) after the most in demand and practically

free public universities fail to accept them. To what extent does the heavy public subsidisation of higher education represent an equal policy in such unequal contexts? Students from the lowest income have a lower probability of accessing the better public institutions, while the most advantageous students – with more cultural, social and financial capital – have more chances to access the top public universities, even increasing expansion would be for the benefit of the most advantageous groups (Lucas, 2001; Márquez, 2012).

According to Beviá and Iturbe-Ormaetxe (2002) people who are able to complete higher education degrees will earn more income in the future and eventually, as most economists agree, will pay more taxes. But 'people whose children do not receive higher education however, should agree to help pay the cost of such education, providing that taxes are sufficiently high to ensure an adequate redistribution in favour of their own children at some time in the future' (p. 321). The problem is that this formula does not seem to be working in Latin America where inequalities appear to increase instead of closing the gap between rich and poor. This should be something that Latin American universities, particularly the oldest and most prestigious, start taking more seriously by proposing more efficient ways to address these inequities. Preserving the meritocratic approach does not help solve this problem. Indeed, there are countries like Brazil or Venezuela which have established affirmative action policies but more dissemination of the results of such policies would help improve the higher education debate.

Final remarks

Last but not least, Hazelkorn and Gibson (2017) mention that the most important thing in this debate, more than technically defining whether higher education is a public or a private good, is to analyse from where and how people define higher education as a public good, what the main concepts are and the main implications of such concepts. This chapter is an attempt to contribute in that sense of the debate surrounding the expansion of higher education, with particular reference to the growth of the private sector and in particular of the for-profit institutions, the problems regarding stratification, and a conceptual discussion on whether it is possible or not to consider higher education as a public good in Latin America or at least to start uncovering the many layers of the problem.

One key question is whether higher education can be discussed as a public good or common good when the access to higher education is divided into layers; when the most prestigious universities mostly depend on the capital of their students: cultural, social, economic and political. This is the main problem when the public and the private sectors are analysed in one of the most unequal regions in the world. The public system is very important and the role of public higher education institutions is crucial to many social sectors in Latin American societies. However, when the very stratified access is considered along with

all the real barriers that exist for the poorest or less privileged students to access the top public institutions with the best programmes, it is valid to ask: who is the public sector serving? When the value of a degree in the market and in the eyes of the society is so different, how is it possible to talk about higher education as a common good?

Finally, if rhetorically higher education is a public good that must be financed by the State and to which access must be equal, in reality Latin American societies are facing important challenges regarding highly stratified higher education systems that reproduce many socio-economic inequities of the region. The continuous growth of private higher education – and particularly of for-profit institutions, with lack of control of the quality of their academic programmes is not helping such imbalances. Therefore, there is a need to continue discussing conceptually this idea of higher education as a public good in different regions of the world, but also to analyse the growth of new providers and the way they are shaping this debate.

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142 • Maldonado-Maldonado and Humberto González Reyes

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