

Title:

**Kicking away the ladder to substantive transformation in Latin America:
marketized Higher Education and underdevelopment in Mexico**

By

Keimeko Scotland

A Thesis Submitted to Saint Mary's University, Halifax, Nova Scotia
in Partial Fulfillment of the Requirements for
the Degree of Master of Arts in International Development Studies

April, 2014, Halifax, Nova Scotia

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Approved: Dr. Anthony O'Malley
Supervisor

Approved: Prof. Shane Theunissen
Reader

Approved: Dr. Esther Enns
External Examiner

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Abstract

The objective of this thesis is to explore and analyze two higher educational paradigms: 1) universities as a ‘public good’ in the Latin American tradition; 2) universities as for-profit enterprises in the market-driven educational products and services industry. Within the broader context of the global shift to privatization, the “commodification” of knowledge and the centrality of its generation and application to socioeconomic development have highlighted the contestation between both paradigms. Radical transformations in political economy at the global and local levels are challenging the role of universities as an essential public good, within the public sphere, for eradicating underdevelopment in Mexico and Latin America. In the case of Mexico, the data suggests that while marketization is occurring, private provisioning of higher education may be unavoidable. The thesis concludes with policy recommendations for a public-private synergy to enable Latin American universities to proactively contribute to the eradication of underdevelopment within the region.

April 24, 2014

Dedication

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

In the name of Allah, Most Gracious, Most Merciful

“Read! in the name of thy Lord and Cherisher, who created – created man, out of a mere leech-like clot of congealed blood: Read! and thy Lord is Most Bountiful – He who taught the use of the pen – taught man that which he knew not...” (Quran 96:1-5)

To those who have educated me; to those who have tolerated me; to those who have loved me; to those who have doubted me; to those who have encouraged and believed in me; to those who have argued with me; to those who have inspired me – *this is for you!*

To my parents, Ernestine and Nevel: I will remain forever unable to repay your loving kindness and compassion that began before I was born and continues unabated.

To my beloved wife: I am absolutely unable to comprehend your patience with me throughout my academic career; your love and unwavering support have made this success a reality.

To my daughter: with your beautiful smiling face and your heart-wrenching crying, you truly are my *Taqwah*.

Acknowledgement

The patience and guidance of my supervisor Dr. Anthony O'Malley was paramount to the successful completion and defence of this thesis. Your wealth of knowledge, experience and insight into the complexities of education and development studies were invaluable. Dr. Esther Enns and Prof. Shane Theunissen, thank you for taking time to read my thesis and for offering thought provoking comments and meaningful suggestions. The faculty, staff and students of the IDS program have greatly enriched my graduate student experience. Thank you to Dr. J. Kevin Vessey, the Faculty of Graduate Studies and Research (FGSR) and the Financial Aid & Awards Office for your support throughout my time at Saint Mary's. Thank you also to Dr. Jacqui Quinn-Leandro, Minister of Education with the Government of Antigua & Barbuda.

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Abbreviations

ALADI	Latin American Integration Association
ANUIES	National Association of Universities and Institutions of Higher Education
ANUP	National Association of Polytechnic Universities
ANUT	National Association of Technological Universities
APEC	Asia-Pacific Economic Cooperation
CENEVAL	National Center for Higher Education Evaluation
CIEES	Inter-Institutional Committees for the Evaluation of Higher Education
COAPES	Council for Higher Education Accreditation
CONACYT	National Council for Science and Technology
CONAEDU	National Council of Education Authorities
CONEVAL	National Council on Evaluation of Social Development Policy
CONPES	National Commission for Higher Education Planning
CUMEX	Consortium of Mexican Universities
CSS	Critical Social Science
DGP	General Directorate of Professions
ECLAC	Economic Commission for Latin America and the Caribbean
FIMPES	Federation of Private Mexican Institutions of Higher Education
FTA	Free Trade Agreements
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDI	Gender-related Development Index
GDP	Gross Domestic Product
GEM	Gender Empowerment Measure
GNI	Gross National Income
GNP	Gross National Product
HDI	Human Development Index
HDR	Human Development Report
HE	Higher Education
HEI	Higher Education Institutions
HPI	Human Poverty Index
ICT	Information and Communication Technology
IDR	International Development Regime
IDS	International Development Studies
IMF	International Monetary Fund
INEGI	National Institute of Statistics, Geography and Informatics
LGE	General Law on Education
MDG	Millennium Development Goals
MHES	Mexican Higher Education System
NAFTA	North American Free Trade Agreement
NAICU	National Association of Independent Colleges and Universities
NGO	Non-Government Organizations
OECD	Organization for Economic Cooperation and Development
PDE	Educational Development Program
PDN	National Development Plan

PIFI	Comprehensive Institution Enhancement Program
PME	Educational Modernization Program
PNE	National Education Program
PNPC	National Program of Postgraduate Quality
PROMEP	Program for the Improvement of the Professoriate
PROSEDU	Sectorial Educational Program
RIPPA	Reciprocal Investment Promotion and Protection Agreements
RVOE	Recognition of Official Validity of Studies
SE	Secretariat of Economy
SEGOB	Secretary of the Interior
SEN	National Education System
SEP	Secretariat of Public Education
SES	Secretariat of Higher Education
SNI	National System of Researchers
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UIS	UNESCO Institute for Statistics
UNAM	National Autonomous University of Mexico
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNSD	United Nations Statistics Division
USA/US	United States of America
WB	World Bank
WTO	World Trade Organization
WWII	World War Two

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Chapter I: Introduction

1.1 The Problem

The role of higher education (HE)¹ and universities within the development of Latin America has been, and continues to be, a contentious topic of debate. Over the course of the past thirty years there have been radical transformations in political economy at both the global and local levels, in factors affecting knowledge generation and application, as well as in specific economic and social demands of the Latin American countries in which universities are situated. These radical changes include, but are not limited to, the increasing pace of globalization² and the “commodification” of knowledge and the centrality of its generation and application to social and economic development within the broader context of the global shift to privatization.

This global shift towards *privatization* began in the late 1970s and early 1980s resulting in the establishment of the so called Washington Consensus³ based on socioeconomic policies that prescribed reductions in government spending, liberalization and deregulation of international trade, investments, and capital flows as well as export driven economic growth for the Global South⁴. These socioeconomic policies represent a coherent organized set of ideas based on an ideological position that prioritizes the demands of the ‘market’ above all else.

¹ The term ‘higher education’, also known as tertiary or post-secondary education, may be used in reference to advanced institutionalized education/learning that takes place above/beyond what is referred to in North America as the 12th grade level of high school and may occur at colleges, vocational or professional schools, institutes of technology, seminaries, academies or universities, leading to the award of academic certificates, diplomas or degrees. For the purposes of this thesis, ‘higher education’, refers specifically to advanced institutionalized education/learning that takes place at universities.

² For a detailed discussion on the concept of globalization please see Rhoads & Torres, 2006 as well as Petras & Veltmeyer, 2001

³ The term “Washington Consensus” was coined by John Williamson and is used to refer to the dominant market-driven socioeconomic policy prescriptions that held favour amongst mainstream politicians, economists and International Financial Institutions from 1980 to 2008.

⁴ The term “Global South” is generally used to refer to countries in or the entire regions of Sub-Saharan Africa, Southern and Southeast Asia, Latin America and the Caribbean that are typically characterized by substandard socioeconomic indicators and agriculture based economies with low levels of industrialization.

Recent writers have utilized the term “neoliberalism” to refer to this set of ideologically biased socioeconomic ideas (Middlebrook & Zepeda, 2003). Neoliberal policy prescriptions were promulgated as *the* approach for resolving the problems of poverty, national debt, economic growth and general development by the international development regime (IDR)⁵. Neoliberalism prescribed a multidimensional privatization of public assets, institutions and state dominated spheres of influence, thereby impacting not only the economic policy agendas, but perhaps more importantly the social policy agendas of so called developing nations. In general, the privatization of education was highlighted as an efficient means for reducing both government spending and national debt in the Global South. In particular, higher education was simultaneously targeted by the IDR and national governments for state disinvestment, and by private investors as potentially lucrative emerging markets in higher education.

For many Latin American countries, like Mexico, with the historically well-established tradition of public universities and their fundamental role as a ‘public good’, the outcomes of this process are particularly significant given the well-established relationship between universities and socioeconomic development (Kelly, 1995; Mansbridge, 1998; Stormquist & Monkman, 2000; Middlebrook & Zepeda, 2003; Pusser, 2006; Rhoads & Torres, 2006; McMahon, 2009; Rhoten & Calhoun, 2011).

The university system in Latin America, especially Mexico, the focus of this thesis, is being threatened by the process of ‘marketization’⁶ via privatization due to the convergence of three factors: 1) increasing demands for socioeconomic reform from the IDR; 2) decreasing

⁵ The term “international development regime” refers collectively to an overarching global institutional structure comprised of: international financial/trade institutions (World Bank, IMF, and WTO); specialized International aid/relief organizations (UNESCO etc.); donor countries and mainstream NGOs, economists/academics, policy-makers and practitioners.

⁶ There is a fundamental distinction between privatized and ‘marketized’ tertiary education that will be addressed in greater detail in a subsequent section of the thesis.

domestic structural and institutional educational capacities; and 3) the degree of insertion into neoliberal globalized trade. This tridimensional convergence of factors has systematically effected a fundamental transformation of the university system in Latin America over the course of the past three decades.

One consequence of this neoliberal shift has been the heightened significance of defining and clearly expressing the role of universities within the national development process of Latin American countries. These countries are intensely inserted into a global economy where private enterprises engage in the for-profit educational programs and products industry. The entrance of profit-seeking market-driven actors into previously public domains, together with the shift toward cost reduction and recovery focused fiscal policy has led to a renewed questioning of the validity of the notion of the university as a public good.

The determination of which higher educational paradigm is best suited for '*developing*' Latin American countries such as Mexico and the related debates that are focused on examining the consequences, in terms of impact on the development process, of choosing a particular paradigm over another are exceedingly significant. Hence, the objective of this thesis is to explore and analyze two higher educational paradigms: 1) universities as a 'public good' in the Latin American tradition; 2) universities as for-profit enterprises in the market-driven educational products and services industry. This examination and analysis will interrogate the related education and development theory and empirical experiences based on the argument that the ongoing shift from the former to the latter paradigm represents a grave threat to the development process of Latin American countries by using Mexico as longitudinal case study.

1.2 The Thesis Statement

Traditionally, the Latin American university has been the site of essential knowledge production, where public and private resources are allocated to various courses of study and forms of research with significant impact on wider society. The Latin American university was considered to be the site for production of critical perspectives on socioeconomic, sociopolitical and sociocultural issues as well as the development of a critical autonomous citizenry (Freire, 1973; Osborn, 1976; Levy, 1986). In this sense the Latin American university is simultaneously an essential public sphere and local/global public good that plays an essential role in the development of Latin American countries generally and Mexico specifically.

The above-mentioned tridimensional convergence has systematically effected a fundamental transformation of the university system in Latin America leading to the “marketization” of Latin American university education. This marketization process is destructively impacting the *development* of Mexico by displacing public universities and their fundamental roles as public goods and public spheres, replacing them with a commoditized, market-driven credentialing system of higher education that is focused on profit and whose social dimensions are completely subjugated to market demand. Marketization of higher education in Mexico has co-opted knowledge production and citizen formation, subjugating both processes to the profit-making-above-all-else imperative of neoliberal capitalism.

At the core of marketization is the commodification of higher education; the transformation of higher education as a public good in the public sphere into a consumer product in a higher education consumer marketplace. The result of this process of marketization has been that Mexico has been unable to generate and effectively implement socioeconomic public policies capable of quantifiably, quantitatively and consistently improving both the quality of life

and the living standards of the vast majority of its population. Instead, massification⁷ and commercialization have combined to render the higher education system incapable of positively contributing to human development in Mexico.

1.3 Research Questions

This thesis is guided by the following research questions: Is the Mexican higher education system undergoing a process of marketization and if so what, if any, have been/will be the impacts on its [public] universities vis-à-vis their capacity to contributing to the eradication of underdevelopment? This can be expanded into the following sub-questions:

1. What has been the traditional/standard view in Mexico of higher education as a public good?
2. What has been the means of privatization of higher education in Mexico?
3. What is the current state of the commodification (i.e. for-profit) of higher education in Mexico?
4. What impact has the marketization process had on universities generally and public universities particularly, especially with regard to public goods and the public sphere?

1.4 Thesis Structure

The thesis is composed of five chapters. The first chapter introduces the reader to the sociological dilemma that provided the stimulus for this research project and outlines its nature and context as well as the approach to its resolution. Chapter two presents a theoretical review of relevant literature in an attempt to provide an analytical framework suitable for comprehending

⁷ The “massification” of higher education refers to the exponential increase in student enrolment and the number of institutions of higher learning. For a comprehensive review of this concept refer to: Teichler, 1998; Enders and Fulton, 2002; Guri-Rosenblit, Sebkova &Teichler, 2007.

how the choice of a given system of higher education will impact the development process in Latin American countries. Chapter three begins with an explanation of the methodological protocol of this study by detailing the research question(s), thesis statement and research methodology. Chapter three then presents the relevant and available data on the higher education system in Mexico with details on socioeconomic indicators, higher education policy and the privatization process as well as the current condition of both public and *marketized* universities in Mexico. Chapter four presents a nuanced discussion on the findings of the study with a view to providing an analytical useful interpretation of the data (i.e. the impact on public goods and the public sphere) via reference to the established theoretical framework and the thesis statement. The thesis concludes in chapter five with: a summary of the outcomes of the research project and its importance for development and higher education; and recommendations for further policy consideration, especially for Latin American citizens.

Chapter II: Literature Review

2.1 Development: what is it, how is it measured and who decides?

Over the past six decades or more there has been an evolutionary transition with respect to the understanding and subsequent definition of exactly what social scientists, politicians/policy makers and practitioners are referring to when they speak of ‘development’. While the scope of this research project does not require or permit an exhaustive review of the literature on the concept of ‘development’, it is necessary to ascertain an operational definition (i.e. analytically useful) that can then be linked to the central argument of this research.

In attempting to define development, it is typical that the “distinction between development as the means of transitive action and that of an intransitive end of action is conflated with a distinction between the state policy of development and the attempt to empower people, independently of the state, in the name of development” (Cowen & Shenton, 1996, p. 3). This conflation leads to development being construed in a multiplicity of ways. On the one hand, development has been defined as ‘a process of enlarging people’s choices’; ‘enhancing participatory processes’ and the ‘ability of people to have a say in decisions that shape their lives’; providing human beings with ‘the opportunity to develop to their fullest potential’; ‘enabling the poor, women and free independent peasants’ to organise for themselves and work together. On the other hand, development has also been defined as ‘[the means to] implementing a nation’s development goals’ and promoting ‘economic growth’, ‘equity’ and ‘national self-reliance’ (Cowen & Shenton, 1996, p. 3).

This multiplicity of definitions is unsurprising given the diversity of ‘developers’, i.e. persons entrusted with or who independently take on the task of development. Each individual or

group tires to articulate what to them is the essence of development. Hence, ‘development studies’ students are asked to “understand the purpose of what they are studying” and practitioners are asked to “reflect on the purpose of what they are appraising and managing” (Cowen & Shenton, 1996, p. 5). Throughout the years, this multiplicity of meanings of development has been discussed and debated within the context of the dominant socioeconomic paradigm of a given period. Currently, the dominant paradigm [of ‘development’] is neoliberal capitalism, in so far as it is the prevalent mode of socioeconomic organization as well as the foundation for globalization (Thomas, 2000). The prevalence of neoliberal capitalism, as an overarching backdrop, has several significant ramifications vis-à-vis the conceptualization of development.

Whereas development had, in the past, been thought of as ‘progress’, on the one hand, and on the other as intentional efforts at ‘ameliorating the failure to progress’, this debate has largely subsided. Instead, there appears to be a tacit acquiescence to the notion of development as ‘dealing with problems’, rather than ‘finding new alternatives’. This idea of ‘intentional development’ has led to the emergence of ‘development’ being thought of synonymously with ‘development practice’. Thomas (2000) has usefully identified three senses of looking at development: (1) as a vision, description or measure of the state of being of a desirable society; (2) as a historical process of social change in which societies are transformed over long periods; (3) as consisting of deliberate efforts aimed at improvement on the part of various agencies, including governments, all kinds of organisations and social movements (Thomas, 2000). ‘Development as practice’ embodies the last of these definitions and it is arguably this form of

‘intentional development’ that post-development theorists refer to when suggesting that ‘development began with Truman’s inaugural address in 1949.

Beginning in 1949 with then U.S. President Truman’s remarks about particular regions of the world vis-à-vis each other, there has been an ongoing debate [albeit increasingly less so in the contemporary context] about the nature of development whereby normativity is contrasted with empirical reality. In his 1949 inaugural address, President Truman announced what would form the basis of his ‘Four Point program’:

“...we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas” (Truman, 1949).

Precisely what Truman meant by “the improvement and growth of underdeveloped areas” has since been the topic of much debate on multiple levels. What constituted ‘improvement’; what type of ‘growth’ and how would it be measured; which areas were underdeveloped and according to what standards of measurement; and exactly what ‘benefits’ would be made available? Such statements by a head-of-state would normally elicit a suspicious or at least apprehensive reception by other world leaders and policy makers when pronounced in uneventful circumstances. In the context of the immediate Post-World War II era, such comments, by the President of the country perceived as the only victor of the war, were rightly taken as an ideologically motivated declaration of international geopolitical policy. Thomas (2000) contends that Truman viewed development as “a part of a strategy for the containment of communism” (Thomas, 2000, p. 779). In this sense, development had very little to do with improvements in quality of life, as measured via socioeconomic indicators; rather it was “a geopolitical project...undertaken by governments and international organizations” (Parpart & Veltmeyer,

2011). Amongst the proponents of this conceptualization of ‘development as an intentionality imposed on the Global South from outside’, the contributions of Vincent Tucker to this discourse are worth quoting at length here:

“development is the process whereby other peoples and their destinies are shaped according to an essentially Western way of conceiving and perceiving the world. The development discourse is part of an imperial process whereby other peoples are appropriated and turned into objects. It is an essential part of the process whereby the ‘developed’ countries manage, control and even create the Third World economically, politically, sociologically and culturally. It is a process whereby the lives of some peoples, their plans, their hopes, their imaginations, are shaped by others who frequently share neither their lifestyles, nor their hopes nor their values. The real nature of this process is disguised by a discourse that portrays development as a necessary and desirable process, as human destiny itself. The economic, social and political transformations of the Third World are inseparable from the production and reproduction of meanings, symbols and knowledge, that is, cultural reproduction.”

(Tucker, 1999, p. 1)

Tucker’s conceptualization of development is particularly useful as it demystifies what has become an unnecessarily ambiguous notion as well as elucidating the reality of the post-World War II discourse on development. This reality is that of a peculiarly narrow, prescriptive and economic process designed to be imposed upon the peoples of the Global South. This demystification of ‘development’ is significant because it allows for greater clarity in understanding that Truman’s naming of certain countries and regions as ‘underdeveloped areas’ *per se* is patently false. Instead, this underdevelopment is better understood as a “simultaneous part of a process of development” (Cowen & Shenton, 1996, p. 9). The language of Truman’s speech clearly positions some countries as ‘underdeveloped areas’ thereby implying that other countries were (more)‘developed’, thus generating a discourse, framed in asymmetrical terms, that would become the focus of Marxist political economists such as Samir Amin, Paul Baran, Andre Gunder Frank and Immanuel Wallerstein. The utilisation of Marxist theories to elucidate

the consequences of capitalist economic, political, cultural and military growth and expansion into the Global South was a point of commonality between these scholars (Salih, 2006).

The theory of underdevelopment, pioneered by Gunder Frank, positions underdevelopment not as a mere label with which to brand some regions of the world, but rather an analytically useful explanation of an inherently destructive parallel process of impoverishment which inexorably accompanies 'development'. The key here is not to define development *per se*, but rather understand that the phenomenon that is the object of inquiry is in fact *underdevelopment*. Thus, in the sense of Truman's discourse, underdevelopment is not merely failure to attain exogenously defined standards in terms of economic industrialization and growth, but also the failure of a given society [in the Global South] to reproduce itself according to the pattern of societies in the Global North. Therefore, Gunder Frank described underdevelopment as a 'historical process' with 'causal relationships' to advanced industrialised societies. Frank theorized that, in the North, the process by which producers were separated from their means of production corresponded with the reabsorption and reintegration of these workers into the production process as proletarian wageworkers. Frank contends that, within the framework of a capitalist economic model, the existence of separation without reintegration results in underdevelopment. This line of reasoning asserts that it is impossible for economic development in the South to be independent of the North as long as capitalism is the engine of development (Cowen & Shenton, 1996). While a comprehensive analysis of the veracity of Frank's underdevelopment theory is beyond the scope of this research project, the word 'underdevelopment', in place of 'development' is exceedingly useful in analytic terms to adequately describe the extensive impoverishment as well as the apparent nonexistence of capacity to positively alter this state of destitution that has and continues to afflict the greater part

of the Global South. Hence, underdevelopment is an appropriate name for the destructive immanent transformation of social, economic, cultural and political structures, which is inherent in the prescriptive development of neo-liberal capitalism. The appropriateness of the term ‘underdevelopment’, as the real object of inquiry, becomes particularly clear when we refer to Tucker’s (1999) definition of ‘development’. Hence, entire countries are oxymoronically labelled as ‘developing’ while undergoing the degenerative and destructive process so aptly described and defined by Tucker (1999). Likewise, those countries in which this process is unsuccessful are incongruously labelled as ‘underdeveloped’. Concurrent with this irrational labelling of countries was the creation of quantifiable criteria to determine which countries are underdeveloped, developing or developed.

Within the framework of capitalist economic theory, development, and by extension development practice, came to be evaluated according to rigid economic models where development was thought of in largely conditional terms as relative progress in per capita economic growth and in structural terms as industrialization and modernization (Parpart & Veltmeyer, 2011).

The phrase ‘development practice’, in general terms, refers to the appraisal of problems and the design, implementation, management, monitoring and evaluation of programs intended to address these problems in the Global South. Measurement of development (and its practice) was conducted on a macroeconomic scale, where Gross Domestic Product (GDP), Gross National Product (GNP) as well as the level and scope of industrialization would mask the underlying disparities in wealth distribution at the microeconomic level. This economic focus [of the study and practice of development] gave rise to the field of study called development

economics. In the post-WWII decades, development economics became the academic orthodoxy through which solutions to the problems of the Global South were sought.

The ‘failure of development’ (see Escobar, 1995; Sachs, 1992; Leys, 1996) produced an inevitable search for viable alternatives (to development, for development and from development). These alternative approaches would seek to introduce new dimensions to the conceptualization and practice of development. The social, cultural, ecological and political dimensions would be (re) introduced to development theory and practice.

This paradigmatic shift towards thinking critically about development is significant because it represents the collective desire of approximately two billion persons in the Global South to become controlling agents in, as opposed to objects of, the institutional and structural change needed to effect measurable and meaningful improvements in the quality of their human condition. With the reintroduction of the social, cultural, ecological and political ambits into development theory and practice, not only would new approaches be sought but also novel ways of measuring development. It is from this search for viable alternatives, and new measurement tools, that the ‘*capabilities approach*’ would emerge as a medium for the study of the issues and related debates facing countries of the Global South.

The intellectual contributions of Amartya Sen are particularly relevant and useful for the purposes of this study. As the originator of the ‘capabilities approach’ Sen is well known for his work on the measurement and meanings of human development, gender issues and inequality, the causes and prevention of famine and the idea of development as freedom. Within the idea of development as freedom, Sen discusses whether social freedoms such as the liberty of political participation and dissent, or access to educational opportunities are ‘conductive to development’ or are ‘constituent components’ of development (Sen, 2000, p. 5). This discussion

is framed within the context of the narrow view of development expressed in terms of economic industrialization and Gross National Product (GNP) or Gross Domestic Product. In such a context, the proponents of social freedoms are often, unreasonably, asked to justify their relevance for and to development in terms of a direct contribution to the growth of GDP, GNP or the level of industrialization.

The orthodoxy of this narrow economic view of measuring development may be countered with the Human Development Theory and subsequent Human Development Report, which were both, pioneered by Mahbub ul Haq (UNDP, 2013). The first Human Development Report of 1990 was primarily the result of collaborative intellectual efforts at the United Nations Development Program, led by Haq, who collaborated closely with Amartya Sen (UNDP, 2013). The collaborative work of Haq and Sen was responsible for initiating terms such as ‘human development’ as well as tools that have become indispensable for the systematic measurement of development indicators that are often overlooked by orthodox economic income or growth indicators. These tools include the Human Development Index (HDI), the Gender-related Development Index (GDI), the Gender Empowerment Measure (GEM) and the Human Poverty Index (HPI). Haq’s views on the nature of development are telling in their contrast to the inflexible orthodoxy of neo-liberal ideology:

“The basic purpose of development is to enlarge people's choices. In principle, these choices can be infinite and can change over time. People often value achievements that do not show up at all, or not immediately, in income or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms and sense of participation in community activities. The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives.”

- Dr. Mahbub ul Haq (UNDP, 2013)

The ‘human development approach’ is significant because its efficacy rests with its emphasis on broadening choices and strengthening human capabilities and its concern with

issues neglected by neoliberalism, such as the cultivation of an educated citizenry capable of constructively engaging in the political, economic and cultural life of their country. While such issues are often highly problematic within a neoliberal framework, which focuses on maximization of returns and market efficiency, they are important for strengthening human values and capabilities. In particular, the HDI measures the knowledgeableness of a society via adult literacy rates and combined enrolment in primary, secondary and tertiary (i.e. higher) education. Tertiary education, more commonly referred to as higher education in North America, is particularly relevant, as a measure of development and as a means to eradicating underdevelopment.

In his book, *Development as Freedom*, Sen elaborates on ‘freedoms’ and ‘capabilities’ as being essential to development. While he never makes an explicit link between higher education and development, such a link is implicit in his treatment of the topic. Sen posits that “freedoms are not only the primary ends of development, they are also among its principal means”. Further, Sen argues that freedoms of different kinds are capable of strengthening each other: political freedoms help to promote economic security; social opportunities facilitate economic participation; economic facilities help generate individual wealth and public resources for social benefit. The net effect can be viewed as a virtuous cycle of comprehensive and continuous progress (under idyllic circumstances). In this discussion on the nature of development, the deprivation of political liberty and civil freedoms are highlighted by Sen as fundamentally damaging to the ability of individuals to conduct their lives and take part in crucial decisions regarding public affairs. Therefore, providing a space for the contestation of ideas relating to

political liberty and civil freedoms becomes an essential part of the developmental process of any country.

There is a well establish intellectual legacy of considering the need for public spaces for the contestation of ideas as an essential requirement for comprehensively combating underdevelopment vis-à-vis political liberty and civil freedoms (Dewey, 1916). The work of Paulo Freire is an example par excellence of how education can be a radically transformative process, eradicating underdevelopment in sociopolitical and socioeconomic terms. Freire is deservedly famous for his Marxist/neo-Marxist based critical pedagogy, which demanded a dialectic dialogue method of adult education designed to liberate not only the oppressed, but also the oppressors. In his seminal work, *'Pedagogy of the Oppressed'*, Freire places self-empowerment at the heart of the pedagogical process designed to enable average citizens to become agents of change in their own lives. Literacy was an essential component of this process, yet this went beyond mere alphabetization of the population. According to Rhoads and Torres (2006), Freire's conceptualization of literacy involved "reading culture and comprehending social structure; every citizen should have the opportunity to develop skills and dispositions that will be helpful to making sense of their own life and for understanding the complex forces that shape the nature of society" (Rhoads & Torres, 2006, p. 7). Freire wanted to cultivate critical consciousness, *conscientização*, whereby citizens acquire the capacity to offer their own critical analysis of society. Freire went beyond critical critique of society, demanding that citizens take action to change the circumstances that held them in destitution and impoverishment. Thus, Freire contends that:

"it is essential not to confuse modernization with development...A society which is merely modernized without developing will continue to...depend on the outside country...The basic, elementary criterion is whether or not a society is a 'being for itself'. If it is not, the criteria indicate modernization rather than development"

(Freire, 1973, p. 160).

The intellectual contributions of both Sen and Freire serve to illuminate an underlying intrinsic reality: eradicating underdevelopment is about enhancing people's choices and capabilities. Education, generally, and higher education specifically, are mediums through which peoples choices and capabilities vis-à-vis political liberty and civil freedoms may be continually enhanced. Thus, it is reasonable to pursue the line of thinking that higher education and the institutions of higher learning (i.e. universities) are a benefit to society at large and that this benefit is acutely meaningful in countries attempting to eliminate underdevelopment. In this sense, it is necessary to examine social benefits, i.e. public goods and the public good, as well as the public sphere to determine the relationship of higher education institutions (HEIs) to both, and consequentially to underdevelopment.

2.1.1 Education and Development

Education is generally and widely agreed to be an essential component in the development processes of all countries (Peters, 2007; Sen, 2000; Kelly, 1995; Colclough & Manor, 1993). Within the social science field of 'international development studies' (IDS) there is a well-established and continually expanding body of literature that validates the relationship between development and education in the Global South (Arnove, 2007; Chabbot, 2003; Sen, 2000). The relationship between education and development exists in many dimensions such as quantity and quality in terms of availability; articulations between education and social cohesion, democratization and political participation; cultural development and economic productivity (Sen, 2000; Middlebrook & Zepeda, 2003; Kelly, 2005).

In terms of social and economic indicators, education has been demonstrated to positively impact a country's development (Colclough & Manor, 1993). Education continues to be vitally important in the implementation of various development programs dealing with gender equality, family planning, healthcare, child/infant nutrition, community building and social welfare. Additionally, many programs geared towards improving the livelihoods of those involved in small business/entrepreneurship, livestock farming and agriculture also utilize educational training programs for their implementation.

The importance of education for the Global South can be conceptualized in terms of levels of educational instruction; primary (basic literacy), secondary (general/common knowledge) and tertiary (higher/advanced/specialized training & knowledge). In terms of development practice there has been a generalized trend towards focusing on basic educational needs, i.e. primary education. This is reflected most patently in the United Nations Millennium Development Goals (MDGs) for education in the developing world⁸.

For the purposes of this analysis the education specific MDG is relevant only in so far as it serves to highlight two trends: 1) the overriding tendency to focus on primary education and 2) the correlating state withdrawal and disinvestment from tertiary education. While the former trend has been well documented elsewhere (see World Bank, 1999), the latter trend is relevant to this research because of what some authors have called the 'educational vacuum' which is created (Stormquist & Monkman, 2000). This educational vacuum created by the withdrawal and disinvestment of the state from tertiary education is important in so far as it partially explains the facilitating circumstances for the shift away from state led publicly funded tertiary educational institutions which will be further addressed in greater detail later. Secondary education has

⁸ Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

largely been relegated to being an obligatory process for the mechanistic production of individuals who will generally go on to form the ‘blue collar’ working class.

This push by the IDR⁹ to focus on basic education (primary and secondary) is also noteworthy because it could be argued that ‘developed’ countries in the Global North are simply “kicking away the ladder” (Chang, 2002). Chang cites the work of Friedrich List, a nineteenth century German economist, when he argues that “developed countries did not get where they are now through the policies and institutions that they recommend to developing countries today” (Chang, 2002, p. 2). According to List, “It is a very common clever device that when anyone has attained the summit of greatness, he ‘kicks away the ladder’ by which he has climbed up, in order to deprive others of the means of climbing up after him” (List cited in Chang, 2002, p. 4).

In this sense, it would be unreasonable to seriously entertain the idea that a society whose constituent members have only attained secondary level education could ever overcome the underdevelopment that is inherent in *‘development’*. While it is certainly not my intention to minimize the value of secondary education, this educational level is not an issue of key concern for this research. Instead, this research is intended to be a penetrative analysis of the connection between HEIs and eradicating underdevelopment in the Latin American context.

2.1.2 Higher Education and Development

Within the literature on development and education, there has been comparatively little advanced research on higher education and its articulation to development. This can be attributed to a dearth of political-theoretical research in higher education and the scarcity of research on education in political science (Ordorika, 2003).

⁹ The term “international development regime” refers collectively to an overarching global institutional structure comprised of: international financial/trade institutions (World Bank, IMF, and WTO); specialized International aid/relief organizations (UNESCO etc.); donor countries and mainstream NGOs, economists/academics, policy-makers and practitioners.

Some authors have discussed higher education with particular attention to its economic impact. In terms of global competitiveness in technological research and development, these authors argue that tertiary level education provides the necessary specialized human intellectual capital that is required to achieve a competitive advantage (Peters, 2007; Barrow et al, 2003; Rhoads & Torres, 2006).

Many authors (Middlebrook & Zepeda, 2003; Slaughter & Rhoades, 2004; Peters, 2007) emphasize the notion of ‘knowledge society’ as being central to the debate around the role of contemporary education policies. Unfortunately, the term ‘knowledge society’ is often subjected to erroneous interchangeability with other terms such as ‘knowledge-based economy’ and ‘learning society’ in reference to what Middlebrook & Zepeda refer to as a prospective scenario characterized by the overriding importance of science and technology in all areas of life (Middlebrook & Zepeda, 2003). In such specious development theories, higher education is very important vis-à-vis its role in providing skills for global competitiveness.

The World Bank definition of ‘higher education’, which encompasses all post-secondary institutions with degree, diploma and certificate granting programs, is a useful one for the purposes of this research project: such institutions produce new scientific and technical knowledge through research and advanced training and they serve as conduits for the transfer, adaptation, and dissemination of knowledge (World Bank, 1995, p. 23). This broad definition encompasses all ‘traditional’ public and private post-secondary institutions, but also ‘virtual’ universities, corporate universities and other for-profit entities that are covered by the General Agreement on Trade in Services (GATS). The full relevance of the analytical usefulness of this definition will become apparent in proceeding sections of this research where the higher education market is discussed.

Given that higher education is the instructional level from which salaried professional and administrative workers as well as highly specialized academics/intellectuals generally emerge, it is this educational level that has the most direct importance to economic growth in terms of supplying the required specialized labour demanded by the competitive global economy (Peters, 2007; Rhoads & Torres, 2006). While such economic benefits are certainly laudable, they are not the *primordial rasion d'etre* of universities as social institutions, nor are such benefits the primary focus of this study.

In his book *Education and Society in Latin America* Albornoz (1993) cites the preamble to the *Magna Charta Universitatum* (see Appendix C) and mentions its relevance and importance as an intellectual product emanating from “the most ancient university in Europe and, arguably, the institution which gave birth to the very idea of the university” (Albornoz, 1993). Four fundamental principles of universities are enumerated in this Preamble, sections of which are worth quoting:

“The university is an autonomous institution at the heart of societies differently organized because of geography and historical heritage; it produces, examines, appraises and hands down culture by research and teaching. To meet the needs of the world around it, its research and teaching must be morally and intellectually independent of all political authority and economic power...Freedom in research and training is the fundamental principle of university life”

(Albornoz, 1993, p. 9).

These fundamental principles are directly related to the capacity of universities to function as public spheres for the contestation of ideas and thereby positively contribute to democracy and citizen participation in decision making. They also speak directly to the university’s role as a social institution that enables citizens to develop the ability to reflect, analyze and reason logically as well as increasing the capacity for poverty reduction

(Middlebrook & Zepeda, 2003, p. 280). Nonetheless, the link between economic growth and the role of HEIs in developing countries is relevant to this research because, within the context of neoliberal globalization, it underscores the pressure of intense insertion into the highly competitive global economy. Governments in the Global South are increasingly asked to justify public financing of institutions that provide private benefits to individual students.

This drive for fiscal austerity and ‘corporate style’ efficiency conflicts with the notion that HEIs, and universities in particular, are universally understood to have “public missions” (Calhoun, 2006). The public mission of universities is directly related to their role as a public good within the public sphere. Thus, it is necessary to examine the notions of public goods, the public good and the public sphere in order to effectively comprehend where and how universities, as social institutions, may be conceptualized.

2.2 Public Goods, the Public Good and the Public Sphere

2.2.1 Public Goods

Defining what constitutes ‘public goods’ is an extremely difficult task. As Shmanske (1991) explains, it is “a literature so vast and varied that the mention of public goods brings to mind a dozen different issues, each of which brings along its own idiosyncratic model and relies on its own set of special assumptions” (Shmanske, 1991, p. 4). For the purposes of this study it is unnecessary to recapitulate the entire body of literature on the topic that has since emerged. Instead, this section provides essential theoretical background in an attempt to formulate a working definition and understanding of the term ‘public goods’, to support an analytically useful description of public universities as social institutions within the developmental process of Latin America.

For many economists, the definition of the term ‘public goods’ “restricts the common sense meaning of the expression” (Gazier & Touffut, 2006, p. 1). According to Gazier & Touffut (2006), the ‘public’ in public goods suggests “universal accessibility and some level of state involvement” (Gazier & Touffut, 2006, p. 1). Additionally, the availability and allocation of a good are central features of its public nature.

The work of Paul Samuelson in the 1950s served to formalize this economic tradition. Samuelson sought to answer two questions: how should we define collective-consumption goods (product/good for which there is no distinction between individual consumption and total consumption) and how should we characterize the optimal allocation of the resources necessary for the production of these goods? Samuelson’s formalization of this traditional concept produced two identifying properties of public goods.

The first property of public goods is called ‘non-rivalrousness’: consumption of the good by one individual does not reduce the quantity available to others. The second property of public goods is called ‘non-excludability’: if it is difficult or impossible to exclude from the enjoyment of a good or service any user who refuses to pay, then the good or service is termed ‘non-excludable’. The Samuelsonian formalization of public goods remains to this day a cornerstone of orthodox economic theory on the public domain, where the economic sphere is defined in terms of a specific goods-directed relation between agents.

In the Samuelsonian model, economic agents are said to be characterized “purely through the operations that they carry out on physical goods” (Gazier & Touffut, 2006, p. 1). In this model, public goods are constructed axiomatically thereby lacking any reference to their social origins. (This lack of social origins raises important issues and debates in relation to how the theorizing about universities, as social institutions, has evolved and therefore the nature of their

role in development. These issues and debates will be further addressed in a later section of the study). Gazier & Touffut cite Coase's (1974) use of lighthouses, national defence and highway tolls as examples of the contentious nature of public goods:

“In the case of the lighthouse, it is almost impossible to prevent a ship from...using the lighthouse signal, and that ship's access to this signal does not deprive any other maritime vessel...” (Gazier & Touffut, 2006, p. 2)

“In the case of national defence...different levels of protection afforded to various populated zones...reveal rivalries among beneficiaries...” (Gazier & Touffut, 2006, p. 2)

“...highway tolls, while making it possible to charge motorists according to use, can result in the exclusion of some users...” (Gazier & Touffut, 2006, p. 2)

These examples also illustrate that the existence of public goods is dependent on the space relative to which it is defined and the authority on which it is based. Gazier & Touffut (2006) conclude that since the state can determine “provision specifications and organize regular tenders for private operators” (p. 2), there is a “necessity for the state to assume direct production of the good... [which is]...therefore consubstantial with that good” (Gazier & Touffut, 2006, p. 2).

One consequence of the axiomatic construction of public goods, in the Samuelsonian model, is that that “public goods manifest ambiguities of construction that have given rise to radical contestation of the identification of existing public goods with the formalized and strictly incomparable class of Samuelsonian public goods” (Gazier & Touffut, 2006, p. 1). Many of these criticisms of the Samuelsonian model of public goods have been expressed in the work of Randall Holcombe, *A Theory of the Theory of Public Goods*.

In his critique of the Samuelsonian model of public goods, Holcombe (1997) focuses on Samuelson's argument that, following orthodox economic thought, they will be under-produced in the private sector, or not produced at all, and therefore economic efficiency will require their production in the public sector, i.e. by the government (Holcombe, 1997).

According to Holcombe (1997), economic efficiency is used as a pretext by the government to compel its citizens to contribute, i.e. pay taxes, to the production of public goods and subsequently allows citizens to consume them. Holcombe (1997) argues that "public goods certainly exist, in the sense that there are goods that fit the economist's definition of public goods, but production in the public sector is neither necessary nor sufficient for the efficient production of public goods" (Holcombe, 1997, p. 1). Holcombe contends that "many public goods are successfully produced in the private sector and therefore government production is not necessary...many of the goods government actually does produce do not correspond to the economist's definition of public goods" (Holcombe, 1997, p. 1).

Holcombe takes particular aim at the notion that government production is needed because market production will fail to reach the theoretical ideal of Pareto efficiency¹⁰. While Holcombe conceded that there is much literature on how markets fail to allocate resources Pareto-efficiently (Bator, 1958), he maintains that there is no logical reason to think that government production would be any more efficient than private production. Since theoretical Pareto-efficiency is an unsuitable measure for determining whether public or private production and allocation of resources is most appropriate, Holcombe (1997) argues that the "real-world institutions in each case" must be evaluated (p.5). Holcombe goes on to argue that public goods, as defined by Samuelson, can and are regularly produced in the private sector.

¹⁰ Allocation of resources such that there is no possible redistribution such where at least one person can be made better off without making somebody else worse off

According to Holcombe, technological advances, such as computer software programs, often become public goods through copying simply because prohibiting their reproduction can be so costly. Yet these programs are created in the private sector. Holcombe makes the point that Bill Gates became one of the richest men in the world by selling a public good (computer software programs), while companies selling private goods (the computers that run the software programs) were not nearly as profitable during the same time period. Holcombe posits that “few people would argue that software programs should be produced by the government” (Holcombe, 1997, p. 7). Holcombe further argues that “the issue is not whether...any specific good can be produced by markets, but rather whether public goods, defined...as non-excludable collective consumption goods, can be efficiently supplied by markets” (Holcombe, 1997, p. 7).

The examples of computer software (and radio broadcasts), as illustrated by Holcombe, would seem to suggest that markets could operate with the same level of efficiency as the government in producing (certain) public goods. Since both can produce public goods efficiently, Holcombe argues that the rationale for government production has nothing to do with efficiency and everything to do with private interests.

According to Holcombe, national defense and education are two of the largest categories of government expenditure (in countries with advanced industrialized economies) at the federal and state/local levels respectively. Both categories constitute the largest single category of government expenditure that is redistribution. Redistribution expenditure is typically justified on the basis that it may provide a non-excludable benefit to those who give. The generally accepted rationale is that people want to be charitable because they want to see an improvement in the well-being of the less-fortunate or disadvantaged. Yet, as Holcombe (1997) points out, if one individual makes a charitable donation, another may “free ride off this donation by allowing the

contributions of others to improve the situation of the disadvantaged” and “both the giver and the free rider receive the same benefit in terms of seeing an improvement in the well-being of the recipient”(p.10). The important point here is that while the charitable donation itself is a private good to the recipient (one dollar given in charity is one dollar less available to someone else), it may be perceived as a public good to potential donors. Hence, “the government forces people to contribute” so that the ideal quantity of redistribution will be provided (Holcombe, 1997, p. 10).

Writing from a “positive model of government”, Holcombe (1997) asserts that there has been a renewed interest in the contractarian model of government where governmental institutions are intended to be mutually beneficial for all citizens thereby reinforcing the public goods view of public production. According to Holcombe, economic theory indicates that individuals are predisposed to acting out of self-interest rather than in the general public’s interest. Hence, government activities may be interpreted as activities undertaken for the best interests of those who govern. Maintaining political legitimacy, as a democratically elected regime, is in the interest of any government since its citizens are the source of a government’s income (Holcombe, 1997). Controlling the flow of ideas in the public sphere then becomes important in terms of creating and safeguarding a public perception of legitimacy. Governments therefore have powerful incentives to control the social institutions that influence the ideas of its citizenry.

The education system, particularly at the post-secondary level, “exposes students to ideas, sets up a system of rewards and punishments to encourage students to retain ideas approved by the system, and...also undertakes research to develop new and improved ideas” (Holcombe, 1997, p. 18). Holcombe’s argument is that the state has a private interest in producing ‘good citizens’ and that the public university system benefits those students able to excel at the

socialization process that rewards retaining and reproducing institutionally (i.e. state) approved information and answers. Thus, “public education is not produced because the government wants to do good things for its citizens; rather, it is produced because government wants to control their ideas to enhance its power” (Holcombe, 1997, p. 19). This is Holcombe’s argument. And he readily admits that “empirical verification might be difficult” (Holcombe, 1997, p. 10). Yet his argument is particularly relevant and worthy of further exploration since it represents an ongoing debate on one of the key issues surrounding university education today; is government production a public good? And, exactly what is being produced?

Public goods may take collective or individual forms. Clean air and equal opportunity education are highlighted by some scholars as examples of collective good (Marginson, 2011). When a recent university graduate enters the workplace externalities are created that can be considered an individual-good. The skills and knowledge of the newly educated worker may be transferred to other workers who had not contributed to the cost of the education, thereby enhancing their productivity and augmenting the financial returns to the organization (Marginson, 2011). Marginson’s example underscores the idea that ‘human capital’ may be represented in both private and public goods.

Sen’s argument that “human capabilities contribute to both individual and collective goods” (Sen, 2000) coincides with this reading of Marginson. Public goods may also be categorized as being local or global based on geographic location. Early public goods theory often used national defence as an example, which had clear geographic limitations. Public goods such as national defence are normally referred to as ‘local public goods’, in reference to their distinct geographic limitations. Knowledge production, such as takes place in universities, is not normally subject to similar restrictions.

As Marginson correctly notes, universal knowledge and information are arguably the most significant public goods produced in higher education. Once it has been created and disseminated, knowledge immediately becomes non-rivalrous (though not necessarily non-excludable in certain cases). Since the benefits of such knowledge production are unrestricted by a particular geographic boundary (a country), the term ‘global public goods’ is usually used to describe such goods. (Stiglitz, 1999). For example, a mathematical theorem or sociological theory created in a university in country X can become freely available to persons all over the world. The benefits of such knowledge transcend national boundaries and take on global significance. In order to address the earlier questions (i.e. ‘is government production a public good and what is being produced’), we must take a closer look at the notion of ‘the public good’.

2.2.2 The Public Good

Reviewing the literature reveals that the concept of public good may be traced to scholarship as remote as Plato’s Republic. Jane Mansbridge’s treatment of the contested nature of the concept of public good makes reference to Plato’s argument that what was good for the polity was also good for the individual. Mansbridge further states that Plato’s argument required “changing the ordinary understanding of individual benefit, so that what appeared on the surface to be selfless behaviour could be understood, after scrutiny as truly good for the individual” (Mansbridge, 1998, p. 3). This conceptualization of the public would generate multiple understandings that persist to this day.

Aristotle’s vision of the public good, which incorporated justice, virtue and material prosperity, can be contrasted to Plato’s vision of the public good as a set of principles and substantive truths. With reference to the link between the public good and higher education, Mansbridge (1998) notes that the Greek philosophers thought of the public good as a contested

space, which was subjected to philosophical, discursive and political debate. In the Middle Ages the philosophical focus was on the duality and conflict between private gain and common good: the private gains of the ruling class, versus the good of the public.

During the 16th and 17th centuries, More, Hobbes and Locke philosophised about the distinction between private (normally with reference to the monarchy) and other actions intended for wider communal benefit (Mansbridge, 1998). At that time, the public good was conceptualized in terms of being an aggregate of individual actions or goods. Such a conceptualization would not emerge until the 18th century.

In the 18th century renowned scholars such as David Hume and Adam Smith would revisit the dilemma of the public good. In their conversation on public goods, Kaul, Grunberg and Stern (1999) credit David Hume with having first discussed the inherent difficulties in providing for the common good in his *Treatise of Human Nature*, which was published in 1739 (Kaul, Grunberg, & Stern, 1999). Almost forty years later Adam Smith would explore similar questions in his seminal work *Inquiry into the Nature and Causes of the Wealth of Nations*. Yet, Smith's argument presented a reversal of Plato's philosophy on individual and collective or public benefits.

Smith argued that, in a narrow sense, what was good for the individual was also good, through the 'invisible hand', for the polity. Contrary to Plato, Smith's argument required a paradigmatic shift in the ordinary understanding of what was good for the polity, so that what appeared on the surface to be a conflict of selfish interests could be understood, after scrutiny, as contributing to material prosperity (Mansbridge, 1998). In pro-capitalist discourse Smith's 'invisible hand' is the mechanism by which general benefit is achieved; unrestricted profit accumulation generates prosperity for all.

In contrast, the public good is obtained by state regulation, the opposite of an unregulated capitalist market, in Socialist discourse. Notwithstanding having become the basis for substantial volumes of neoliberal economic thought, Smith's treatment of the concept of the public provided a clearer delineation of private good and public good which allowed political philosophers to conceive the possibility of an interaction between public goods and private interests.

Such an interaction was initially thought of as an individual's obligation to serve the public good through contributing to public welfare as a matter of duty, which was often, but not always, linked to religious duty. This obligation or duty concurrently benefited the individual as a member of the public at large and elevated the individual's personal and social standing (Mansbridge, 1998). This process of individual benefit through devotion to the common good was referred to as "coincidence of interests" by Thomas Jefferson (1812). Jefferson's perspective was that private interest should be subordinate to the public good and that 'false pride' was the main problem whenever private interests were prioritized ahead of the public good (Pusser, 2006).

Contemporary meanings of (the contrast between private good and) the public good have retained what some scholars call a "strong normative thrust" (see Flathman, 1966; Cassinelli, 1989; Frankel, 1962,). For example, the statement "Steve is a good citizen" is understood to express, in part, an approval of Steve's giving to the collective what he could have given to himself. In this sense, the public good can be seen as 'prescriptive' of behaviour or actions that are deemed commendable. Such commendation serves to support "a moral relation of great importance to both individuals and the public" (Mansbridge, 1998, p. 9). This moral approbation is important for maintaining cooperative arrangements and their relevant social institutions. While the preservation of this normative contrast between private and public good is an

important part of social relations, a precise and uncontested definition of the public good is not necessarily equally important. In fact, many authors argue that the existence of multiple meanings is in itself a benefit to society at large¹¹. While, it cannot be denied that there exist various meanings of this contested concept, of greater analytical import are its functions as a contested concept.

In his discussion on the nature of the public good, Calhoun (1998) posits that the public good should be constructed discursively, that its construction is always partial and the public by and for whom it is constructed consists of different individuals sometimes bound together by simple practical situations. Adding to this debate, Mansbridge argues that the participants in most deliberations (on the public good) are endowed with considerable differences in knowledge, communication skills and feelings about potential efficacy, which will produce sizeable inequalities. Utilizing one construction of the public good therefore implicitly excludes another and consequentially exacerbates the mentioned inequalities. This is significant because within all societies there is a natural desire to be able to tell one another what we think we ought to do or not do. This creates an interesting dilemma of how to maintain societal norms without generating inequalities through exclusion (of alternate views). Mansbridge offers the preservation of ‘contest’ as a solution.

In this context, the concept of the public good may serve as: (1) a site for normative contestation over what is public and what is good; (2) signifying approval, especially in contrast with private interests (Mansbridge, 1998, p. 12). Using the example of industry deregulation, Mansbridge (1998) posits that the deliberation on such an issue represents “conceptual questions as well as questions about the effects of specific policies” (p. 12). The deliberative process facilitates the expression of these questions, lets the public struggle with them and different

¹¹ See Mansbridge, 1998, p. 9-11

policies are able to contend for the label of a public good (Mansbridge, 1998, p. 12). In the process of formulating views and the contestation of divergent positions, individual and collective determinations will emerge regarding what they (those that are engaging in the discourse) mean by the public good. Within this process of open, critical discussion and sharing of ideas, the term ‘the public good’ serves as a “site for analytically fruitful contestation” (Mansbridge, 1998, p. 12).

With reference to the second function, that of approbation, Mansbridge argues that voluntary cooperation for public-spirited reasons is a highly efficient form of solving shared or ‘commons’ dilemmas. Thus, approval is generally given to public-spirited behaviour or action undertaken by others or ourselves. In this sense, approbation takes the place of a precise meaning or definition of public good. In order for the first function (i.e. normative contestation) to take place, a ‘space’ is needed for such deliberation. Some authors have labelled such spaces where public interaction, discourse and deliberation can take place as ‘public spheres’.

2.2.3 The Public Sphere

In 1962, critical social philosopher Jürgen Habermas published *Strukturwandel der Öffentlichkeit* in fulfilment of the post-doctoral qualification, *Habilitationschrift*, which was required of all German professors at the time. In 1989, Thomas Burger and Frederick Lawrence translated Habermas’s masterpiece into English as *The Structural Transformation of the Public Sphere*. In this work Habermas describes the public dimension of discussion, criticism, and debate and opinion formation in 18th century England. This public dimension is described as encompassing a network of salons, coffee shops, homes, counting houses, semi-government agencies and inns of courts. These were the places where people met and opinions were formulated and communicated on matters of the day (Marginson, 2011).

Calhoun describes Habermas's vision of the public sphere as "an institutional location for practical reason in public affairs and for the accompanying valid, if often deceptive claims of formal democracy" (Calhoun, 1992, p. 1). Habermas himself describes his work as an "investigation ... [in] to the structure and function of the liberal model of the bourgeois public sphere, to its emergence and transformation" (Habermas, 1989, p. xviii). Habermas's model of the public sphere was endowed with the capacity for independent criticism of the state and often offered strategic options for the state to consider, thereby contributing to its continual reform and renewal. In this way the public sphere was simultaneously a space of discursive freedom from and episodically connected to the state (Habermas, 1989, pp. 41, 51).

Making the connection between the Habermasian model of the public sphere, in terms of its essential role as a social institution, and the modern university is not easy. Habermas did not make the link. Habermas viewed the public sphere as degenerate in the 20th century, which was the golden age of the university (Marginson, 2006 and, 2011). However, in so far as both the modern university and the Habermasian public sphere provide space for non-violent social integration based on discourse and deliberation rather than power and money, parallels between both may be drawn. These parallels will be discussed further in proceeding sections of this study. In summary, we have examined the meaning of public goods in relation to *the public good* and we recognized the intrinsic value of public spheres to development (and underdevelopment) as previously defined. We now move to examine the literature on education, particularly higher education, and its link to development in so far as institutions of higher learning may be viewed as an essential public sphere.

2.4 Higher Education as a Public Good: Funding, the Nature of the *Good* and its Beneficiaries

Central to this study is the idea that the university itself may be considered as a public sphere, a space that is simultaneously physical, symbolic, cultural, political and semantic, not just in relation to the state or the broader political economy, but as a site of complex autonomous contestation in its own right. To a large extent, the literature contains very limited treatment of the university as a public sphere or the public space of the university as a key public good (Pusser, 2006). This can be attributed to a dearth of political-theoretical research in higher education and the scarcity of research on education in political science (Ordorika, 2003). Also, most of the theoretical research that has been done was conducted with reference to North American, Australian, Western European or Scandinavian higher education systems. Notwithstanding these limitations, a few authors have made noteworthy contributions to the discussion about HEIs as a public good.

Calhoun (2006) opens his discussion on this topic by postulating that universities “advance social mobility...produce new technologies...contribute to both the continuity and creativity of culture...directly inform the public sphere and also prepare citizens to participate in it” (Calhoun, 2006). Delanty (2005) concurs with this view of universities as an essential public good when he argues that “the university can be seen as the paradigmatic institution of the public sphere and of modernity more generally” (Delanty, 2005). Calhoun goes on to propose four senses of ‘public’ in relation to universities: (1) how are they funded? (2) Who governs them? (3) Who benefits? And (4) how is knowledge produced and disseminated? These ‘four senses’ of public can be further streamlined into three ways that ‘public’ may be associated with

universities: “the source of their funding, the nature of their output or ‘goods’ (who benefits and how the goods are distributed) and whether the work is conducted on an open basis and contributes to a larger public sphere beyond the university” (Marginson, 2006).

The question of funding for universities is paramount because it directly impacts the notion of them being both public and a public good. Funding may come from a variety of sources including: (1) private corporations; (2) government financing; (3) tuition and fees paid by students. The idea that universities are a public good is used as grounds for direct and indirect government funding in the form of grants, bursaries and scholarships. In the case of ‘national universities’ in many Latin American countries, both the administrative staff and professors are effectively government employees in so far as their salaries are paid directly from the national treasury. In cases where universities are organized as private corporations, they can generally be categorized as non-profit -typically projects of charities, foundations or religious organizations- or for-profit entities. While non-profit universities have customarily been given tax exemptions, the same economic benefits are increasingly accorded to for-profit universities. Because universities are seen as important distributors of private goods that translate into labour market advantages, government funding is increasingly a contentious issue of debate. These labour market advantages include the awarding of academic credentials to graduates, tax-exemptions for their benefactors as well as privileged employment for faculty and staff. This question of funding sourcing is inherently linked to the issue of accountability. As public institutions, many HEIs receive public funding and therefore there is a widely held notion that universities should serve the interests of the communities in which they are situated. This is further complicated by the fact that in many countries, both public and private HEIs receive funding from public sources. Ultimately, the ratio or mix of funding from the above mentioned sources will impact the

autonomy of any HEI and consequently its ability to serve as an impartial or disinterested public sphere for the contestation of ideas in a maturing democratic society. Thus, funding is inherently linked to governance and control of HEIs regardless of their status as public, private, for-profit or not-for-profit.

The issue of control or governance of HEIs entails key questions of accountability to the entity providing funding to the university. State or government funding translates into a measure of control by policy makers from above and democratic politics from below (Marginson, 2006). On the other hand, funding from private corporations usually translates into control by CEOs and shareholders interested only in maximized return on investment and comparatively undemocratic political processes, in so far as only their economic interests are prioritized. Yet, the idea of linking control exclusively to the source of funding is problematic because very few, if any, HEIs receive all of their financial support from ‘purely private’ or ‘purely public’ sources. The reality is usually a mixture of both, even where one ambit takes precedence over the other. Thus, the actual ‘outputs’ of any given university can scarcely be claimed to be purely for the public good, without acknowledging the private benefits conferred. Directly public outputs, such as an informed citizenry or improved public health, as well as directly private outputs such as advanced credentials could be produced by private or public, for-profit or not-for-profit HEIs (Calhoun, 2006). Thus, perhaps the question is not whether the work of universities is conducted on an open basis and contributes to a larger public sphere beyond the university. Instead, perhaps the benefit of the work of universities can be found within “the university itself as a public sphere that provides institutional space for reasoned argument and contending values” (Pusser, 2006). As Marginson contends, “whether there are multiple public spheres or articulated sites within a single public sphere is less important than whether the university has the potential to

sustain democratic function” (Marginson, 2006, p. 52). It this function, that of sustaining truly substantive democracy¹², that has made the university such an integral and integrated social institution upon which successive generations of Latin Americans have placed the responsibility of eradicating underdevelopment.

2.5 Higher Education in Latin America and the Public Sphere: Whose interests are served?

A review of the literature on higher education in Latin America reflects a variety of approaches. These include a historical approach where research is conducted on the growth of institutions at the national level. There is also the continental approach that treats the Latin American university as an entity (Albornoz, 1993). In his book *The Latin American University* Atcon (1966) employs what may be referred to as the normative continental approach (Albornoz, 1993). Atcon (1966) focuses on the role of the Latin American university in developing the ‘human factor’. Atcon argues that Latin American development depends primordially on the development of Latin American people. According to Atcon, the local human factor, as opposed to the external or imported and human factor must assume responsibility for long term technological innovation to satisfy local needs (Atcon, 1966). Only when this happens “does a people, a society, a nation, become really free, really independent...And this was to be the role of the university in the region...Higher education is the real crux of the development of Latin America” (Atcon, 1966 cited in Albornoz, 1993, p.11).

¹² “Substantive democracy” may be contrasted with merely “normative democracy”, which is largely comprised of legislatively mandated electoral processes that occur based on predetermined scheduling. Normative democracy is primarily concerned with voting rights and political representation, whereas substantive democracy is focused on continual proactive citizen involvement in public administration and social policy - irrespective of whether or not elections are due.

A utilitarian approach was utilized by Benjamin (1965) in his book *Higher Education in the American Republics*. Benjamin focussed on a comparative analysis of multiple variables such as control, finance, academic programs, organizational structure, student body and faculty between universities in Latin America and the United States. Benjamin concluded that “without greatly increased and improved graduate programs in key universities of Mexico, Central America and Spanish South America, even the present levels of instruction and research in higher education in these countries will deteriorate” (Benjamin, 1965, p. 203 cited in Albornoz, 1993, p. 149). Benjamin also provided a grim warning for Latin American countries with regard to the significance of universities in their developmental efforts: “if higher education is not able to supply the driving spirit to put these countries into effective action...the next three or four decades will be merely a dark age...if [it] does succeed...the age will be the most resplendent in the World’s history” (Benjamin, 1965, p. 212 cited in Albornoz, 1993, pp. 11-12). Benjamin’s argument is certainly interesting and one cannot help but wonder to what extent the failure of Latin American governments to develop higher education in the region was a contributing factor to the so called ‘*decada perdida de los ochentas*’ (lost decade of the eighties).

Hans Steger employs a similarly utilitarian approach in his book ‘*Las universidades en el desarrollo social de la America Latina*’ (1974), which was originally published in 1967 under the German title ‘*Die Universitaten in der gesellschaftlichen Entwicklung Latinamerikas*’. Steger focused on the relationship between social development and the university in the Latin American region and produced a thesis that is as relevant today as it was then. Steger (1974) argues that in order for the university to fulfil its role in social development it must sever itself from the historical baggage of the region: a social institution cannot be transferred; it must be generated within the social structure of the society. What this means is that Steger viewed the Latin

American university, at that time, as a social institution that had been transferred or implanted during the colonial process. This is an interesting thesis that aligns with the widely held notion that truly meaningful transformative change in any society can never be exogenously generated; instead it can only be indigenously created and cultivated if it is to be successful.

Brazilian anthropologist Darcy Ribeiro, the first rector of the University of Brasilia, and subsequent Minister of Education in Brazil wrote an extremely influential book called '*La Universidad latinoamericana*' in 1971. Ribeiro viewed the modernization of the region's universities as beneficial to old social structures and facilitating foreign/ external dependence. Instead, Ribeiro argues for the reform of the region's universities to enable them to play an active role in what he viewed as a much needed social revolution:

“Social revolution is, in fact, the mission of the university community in developing societies; ...to define the revolution which is needed...to formulate...alternative projects to the false solutions offered today...the university is the institution where people and nation can find the opportunity for autonomous development”(Ribeiro, 1971, pp. 26-27 cited in Albornoz, 1993, pp. 12)

Furthermore, Ribeiro states that: “Only those interested in representing the interests of the major part of the population and in defending the autonomous character of national development, can model a university capable of being an accelerated agent of social transformation. And within the university, only the students offer any guarantee that actions will not be taken to perpetuate internal hierarchy or to defend the interests of those in power” (Ribeiro, 1971, pp. 26-27 cited in Albornoz, 1993, pp. 12). This thesis of the university as the principal agent for revolutionary social transformation was quite popular when posited in 1974. Ribeiro used Cuba as *the exemplar* for the rest of the region to follow. At this time the Cuban revolutionary model was

very popular and Allende had recently broken with regional political tradition by becoming the first elected socialist president of a Latin American country. The reforms proposed by Ribeiro were aimed at transitioning the university away from its role of teaching and training for the professions to an institution focused on advance research and graduate studies. Ribeiro envisioned the university (in Latin America) as a ‘think tank’ that would address problems such as dependency and unequal development (Albornoz, 1993, p. 149).

Uruguayan mathematician and academic Mario Wschebor published *‘Imperialismo y universidades en America Latina’* in 1970. Wschebor posited that the drive/desire to control and reorganize universities in Latin America was a key objective of the post-World War II (particularly in the post 1960 period) foreign policy agenda of the United States of America (USA). Control of the universities was needed to minimize political protest to US intervention in the region. Wschebor even suggested that US domination of Latin American universities was intended to ‘militarize’ higher education, as was being done in the United States (Wschebor, 1970, pp. 13-15)¹³. According to Wschebor, this was an organized institutional process with three central objectives: “(1) transform the universities into channels for the transmission of ideologies which favour the status quo; (2) to eliminate political opposition in the universities, which frequently pose problems for the Empire [USA] in Latin America; (3) to transform Latin American universities into private enterprises that serve the interests of the largest monopolistic corporations” (Wschebor, 1970, p. 32). Wschebor cites the Ford and Rockefeller foundations as examples of private US corporations that were part of US foreign policy. Wschebor’s approach to the role of American private foundations is consistent with Marxist critics of the time period who argued that these foundations used the ‘power of money’ to “channel the production of

¹³ Similar processes continue presently. Most recently, Yale University was the intended host of a US military training program in ‘enhanced interrogation methods’, i.e. torture techniques, until non-mainstream media uncovered the plans and student protests ensued.

knowledge in particular directions, distorting the course of development of academic disciplines to serve directly the interest of capitalism” (Martin Blumer cited in Albornoz, 1993, pp. 13-14; 150).

In 1986 Daniel Levy published his book entitled *Higher Education and the State in Latin America*, subtitled ‘Private Challenges to Public Dominance’. Levy’s book focuses on the privatization of the university, which has been described as “one of the most dramatic changes in higher education in the region...the most important change... since the universities were nationalized in the nineteenth century” (Albornoz, 1993, p. 14) Levy argues that the private-public debate is “not only a vibrant intellectual one...it is also...in Latin America higher education, a policy relevant one” (Levy, 1986, p. 9). This is largely due to the fact that prior to the 1970’s there was an undisputed public, i.e. state, dominance of higher education. Beginning in the 1970s and much more acutely in the 1980’s this dominance began to face intense challenges from the private sector and thus brought private-public distinctiveness¹⁴ into a position of extreme relevance and importance. Levy’s analysis of private-public distinctiveness in Latin American higher education is centered on four concepts: freedom, choice, equity and effectiveness. These concepts are strikingly similar to the ‘four senses’ or dimensions of publicness identified by Calhoun (2006) and discussed in the previous section of this study. Levy posits that freedom comprises two dimensions: (1) institutional autonomy and (2) participatory freedom (i.e. academic freedom). Choice, in higher education refers to “choice for students, their families, employers, donors, professors and administrators” (Levy, 1986, p. 8). Equity refers to the fair or just distribution (of higher education) and is essentially a debate about access. Effectiveness may be understood as efficiency in terms of achieving a desired goal or objective.

¹⁴ Levy uses this term to refer to the degree or extent to which the public and private spheres can be clearly delineated or distinguished. It is alternately stated as ‘distinction between private and public spheres’.

For higher education this could include educational quality, yet Levy notes that effectiveness also depends on fulfilling philosophical, political, social and employment...goals” (Levy, 1986, p. 9) According to Levy (1986), the case of Mexico presents “unusually clear alternatives to the clientele, participants, policymakers and scholars of the system” in terms of private-public distinctiveness. In fact, Levy states that “there may be no national system of higher education anywhere with more salient private-public distinctiveness” and that “it is especially notable for such distinctiveness to hold over time and that Mexico’s has lasted for half a century” (Levy, 1986, p. 9). Levy’s observations about higher education in Mexico provide a useful context for understanding the phenomenon of marketization as a very specific form of privatization and its relationship to underdevelopment. Consequently, it is necessary to examine and analyze marketization as a concept in isolation, in comparison to privatisation and its relationship with higher education.

2.6 Marketized Higher Education

“In essence, privatization is a process designed to permeate, or even to colonize the public space of higher education with the logic of the market” – (Ordorika, 2004)

With the institutionalization of new knowledge in universities during the last quarter of the nineteenth century, the professoriate was enabled to maintain some distance between the university and industry on one hand and the university and the state on the other hand. This was in spite of the fact that it was industry that generated the economic means that made the modern university possible and that the state normally provides the resources for higher education. By

claiming a social contract with society at large, the professoriate was allowed to conduct disinterested and nonpartisan research (Slaughter & Rhoades, 2004).

This status was maintained throughout most of the nineteenth and twentieth centuries, indicating that universities were unusually stable and resilient social institutions. Yet, in the twenty first century it would appear that universities generally and public universities in particular are under threat (Peters, 2007). Disinvestment by the state, declining popular support and fierce competition from private universities and corporations are frequently mentioned as factors, both locally and globally, that threaten universities today (Levy, 1986; Slaughter & Rhoades, 2004; Rhoads & Torres, 2006; Peters, 2007).

Much of this threat is related to the emergence of a new economy, a *globalized* economy. Universities have been unable to escape the effects of this new economy. This is especially true where there is convergence between the globalization processes of corporations and universities centered on markets for 'knowledge-intensive' new economy products. Advanced knowledge is perhaps *the* product of choice in this new economy where such knowledge is treated as 'raw materials' that can be produced, owned (as intellectual property) and marketed by corporations (Slaughter & Rhoades, 2004). Yet corporations have not been able to enter this market in the new economy without the acquiescence of the state. It can be argued that the state, in its newly neoliberalized form, has indeed actively supported the participation of corporations in this new higher education market.

The neoliberal state is described by some authors as focussing on enabling individuals as economic actors rather than on social welfare for citizens (Slaughter & Rhoades, 2004). On a global scale, the neoliberal State has actively contributed to the creation of transnational governing structures related to the protection of trade and intellectual property rights. This

process culminated in the Uruguay round of the General Agreement on Tariffs and Trade (GATT) of 1986, where Trade-Related Aspects of Intellectual Property Rights (TRIPS) were initiated.

A significant outcome of TRIPS was that copyright would now be extended for fifty years beyond the life of the author of a work. The World Trade Organization (WTO) was responsible for securing the General Agreement on Trade in Services (GATS), which regulates educational services. There have since been proposals by the U.S. Department of Commerce for GATS to treat higher education like any other service or good that is traded in international markets.

On a local scale, many Latin American governments have actively facilitated this commercialization process via profound changes to relevant legislation on education (Barrow, Didou-Aupetit, & Mallea, 2003) (Aboites, 1997). Discussing these legislative changes, Ordorika & Rodriguez-Gomez (2011) posit that “the neoliberal state creates new rules of supervision, control and quality assurance and a discourse of quality and competitiveness that is ideologically compatible with the privatization project and with the ambitions of private institutions”. This capitulation of Latin American governments has severely impacted universities in their role as social institutions by making them increasingly heteronomous. Consequentially, the public sphere is eroded by the creation of a space in the higher education arena that opens opportunities for increased private participation (Ordorika & Rodriguez-Gomez, 2011).

As Rhoads & Torres (2006, p. 302) posit, the capacity to “promote the common good or even pursue knowledge and truth in an autonomous way” is being gradually lost. *“Neoliberalism, fuelled by its unwavering belief in market values and the unyielding logic of corporate profit*

making, has little patience with noncommodified knowledge or with the more lofty ideals that have defined higher education as a public service”[emphasis added] (Giroux & Searls Giroux, 2004, p. 265). Furthermore, some authors contend that universities are actively involved in “academic capitalism”¹⁵. This profit-seeking agenda requires an accommodating combination of policy, culture, and legal regulations in order to create a market for educational products and services.

Orthodox economic theory defines a market as a means of social coordination that balances supply and demand of a product or service through the price mechanism. According to Brown (2010), a “pure” market in student education would have the following main features:

1. Legally autonomous institutions
2. Little or no regulation of market entry (hence plenty of market competition including from private and ‘for profit’ providers)
3. No regulatory limits on the prices charged (fees) or the numbers enrolled
4. The cost of teaching met entirely through fees which would approximate to average costs
5. The cost of fees met from users’ (students and their families) own resources: there would be no taxpayer subsidies
6. Users would decide what, where and how to study on the basis of effective (valid, reliable and accessible) information about the price, quality and availability of relevant subjects, programmes and providers

(Molesworth, 2011, p. 12)

¹⁵ Slaughter & Rhoades, 2004, pp. 1-34

Limitations on the theory of markets as applied to higher education would include the following:

1. The fact that higher education confers both collective (public) and individual (private) benefits. The risk of under-supply means that first-cycle education including student living costs and academic research are often subsidised in most systems
2. Because of the key role that higher education plays as an accreditor of knowledge, especially the knowledge required for the practice of the professions, market entry and competition are also regulated in most systems
3. Because of the difficulties of obtaining and disseminating proper information about quality, there is a case for a mixed system of regulation, with important roles for the state and the academy
4. Further problems arise with the amount of product differentiation and the difficulty which institutions face due to the length of the product life cycle, in moving rapidly in response to market signals

(Molesworth, 2011, p. 12)

It is important to distinguish between privatization and marketization. Privatization is *“the penetration of private capital, ownership and influence into what may previously have been publicly owned and funded entities and activities”*, while Marketization is *“the organization of the supply of higher education ‘services’ on market lines”* (Brown R. , 2010, p. 17). Marketization has also been defined as *“...a set of transformations in which the underlying purpose is to ensure that market relations determine the orientation of development policies, institutions, university programs and research projects”* (Ordorika & Rodriguez-Gomez, 2011, p. 220). Although privatization and marketization are conceptually distinct, marketization will

entail some degree of privatization. The extent of ‘overlap’ between both concepts depends largely on the extent of the involvement of private capital.

The term ‘quasi-markets’ is often used to describe the organization of the supply of collective services along market lines where the contribution of private capital is minimal or non-existent and the state is still the main funder and regulator (Le Grand & Barlett, 1993). This could mean that, for example, funding for research would be allocated to HEIs on a competitive basis via bidding or performance evaluation (Brown R. , 2010). Nonetheless, there is usually considerable ‘overlap’ between privatisation and marketization in higher education systems today. And this may be interpreted as an expression of the fundamental shift in public policy decision making that is widely referred to as neoliberalism. According to Self (1999), there are five basic dogmas that underpin neoliberal ideology:

“The ‘free market’ and market-led growth are the principal and overwhelmingly the most important sources of wealth; large incentives are necessary to market efficiency; the wealth created by free markets will trickle down from the successful to benefit all members of society; the market is intrinsically more efficient than government; to gain greater ‘efficiency’, government should re-design according to market methods and incentives” (Self, 1999, pp. 26-28)

In keeping with this neoliberal ideology, marketization in terms of higher education may be recognized by (1) Institutional autonomy; (2) Institutional competition; (3) Price and (4) Information. Institutional autonomy would include what Brown (2010) refers to as ‘provider freedoms’ to freely enter the market, supply the product (academic credentials), deploy resources (staff, finance, and students), determine both staff and student numbers, admission policies and price their products. Institutional competition would ensure ‘consumer freedoms’ which include freedom to choose the provider as well as the programs or courses; freedom of access to information about these programs or courses; ‘freedom’ to cover costs directly by students and

thus link enrolments more closely to ability to pay. The third category, i.e. Price, presents an interesting dilemma.

Although it may seem that HEIs could easily be distinguished based on their status as either (1) public or private or (2) not-for-profit or for-profit, closer examination reveals these distinctions to be rather less analytically useful than they appear. The first distinction, i.e. public versus private, is based on ownership and control. While establishing who owns and controls any HEI is relatively simple, determining the source of its funding is much less so. Ultimately this leads back to the discussion about accountability since in marketized higher education systems both public and private institutions receive funding from both public and private sources (Molesworth, 2011). Similarly, the distinction between for-profit and not-for-profit institutions within Marketized higher education systems is also unclear. This is because not-for-profit HEIs behave like for-profit HEIs in so far as they cut programs and courses offerings based on financial viability, in much the same way that corporations decide which products to produce and market (Molesworth, 2011).

The category of information is related to the issue of quality control within a marketized higher education system. Student access to and use of helpful information about HEIs and their various programs is supposed to automatically protect them as consumers under market theories: suppliers that do not provide suitable goods will go out of business. However, unlike other markets, this product is invisible and there are very few opportunities for repeat purchases (Molesworth, 2011). According to Brown (2010) the problem with information in higher education markets “is less that of unequal access and more of no one having the necessary information” (Brown R. , 2010, p. 23). What this means is that it is exceedingly difficult for consumers (i.e. students or their parents) in the higher education market to have valid and

reliable information about the relative quality of comparable programs in a given discipline at competing HEIs. Within the category of Information, the role of ‘prestige and status’ is instrumental as it relates to ‘consumer choices’ within the higher education market.

Universities are normally ascribed the functions of student education, academic research and scholarship, and services to third parties. Yet the allocation of status, via the awarding of credentials, has been mentioned as a ‘fourth’ key function (Brown R. , 2010, p. 29). The intensely competitive labour markets of the new economy have contributed to what has been labelled ‘creeping-credentialization’ (Calhoun, 2002, p. 99) or ‘credential-inflation’ (Brown R. , 2010, p. 29) as specific components of a broader process of credentialism.

The *Dictionary of Social Sciences* defines Credentialism as “the practice of requiring specific educational credentials for certain occupations” (Calhoun, 2002, p. 99). Collins (1979) goes even further by arguing that the credential society is dominated by large, wasteful bureaucracies wherein access to higher positions is controlled by the Anglo-Protestant elite, selected and trained in prestigious institutions that attempt to monopolize the power positions at the top. Thus, many industrialized societies have (and societies in the Global South are beginning to) undergo a process of creeping credentialization that has steadily raised educational requirements for the performance of low-to-mid level managerial positions that have traditionally been avenues for occupational mobility (Calhoun, 2002, p. 99). This is significant because of the link between university accredited credentials and the labour market employment advantages within the new economy. This link becomes especially relevant in the socioeconomic context of countries in the Global South where higher education credentials are often viewed as a key enabling factor in socioeconomic mobility and security (Brown, 2011; Brown, 2010; Peters, 2007; Rhoads & Torres, 2006; Slaughter & Rhoades, 2004, Albornoz, 1993; Levy, 1986).

In summary, many authors highlight the positive benefits of marketization in terms of increased efficiency; responsiveness to student customers as well as changes in supply and demand; productivity improvement, innovation and revenue diversification when compared to a government controlled non-market system (Massy, 2004). On the other hand, some authors underscore the potential negative impacts such as increased social stratification of individuals and groups; reduced diversity; risks to quality; and less value for money as resources are spent on competitive marketing campaigns. With the foregoing in mind, it is imperative to examine the literature on (privatized and) marketized higher education in Mexico.

2.6.1 Marketized Higher Education: A viable alternative in Mexico?

“...in all spheres of knowledge - cultural, economic, social – public institutions have a fundamental responsibility to encourage research on alternative strategies for realizing human needs and purposes – *irrespective of the market demands of the moment* [emphasis added] ” (Rhoads & Torres, 2006, p. xxxii)

The exigencies of globalization are placing intense pressures on countries in the Global South to simultaneously rationalize their budgetary allocations and competitively engage with the global economy. While most governments in Latin America recognize that their higher education systems and institutions are directly linked to attaining a competitive advantage in global commerce, there is very little consensus on exactly what role universities should play going forward.

The traditionally held view of Latin American universities (whether private or public) as having a public mission is being challenged by calls for ‘openness’, ‘transparency’ and

‘accountability’ by the IDR¹⁶. In attempting to answer these calls for greater public relevance (to justify their status as publicly funded institutions), many universities have fallen victim to the trap of ‘corruption of the public relevance’ argument (Rhoads & Torres, 2006). This involves the oversimplified thesis that everything related to the State is somehow inherently inefficient, paternalistic, undemocratic or oppressive while everything related to free markets is equally inherently efficient, empowering, democratic or liberating (Rhoads & Torres, 2006). Consequently, terms such as ‘academic freedom’ and ‘institutional autonomy’ are either misunderstood by the public at large or intentionally misrepresented (by neoliberals) as meaning ‘unfair entitlement’ and ‘fiscal irresponsibility’.

Neoliberal policymakers and the promoters of marketized higher education have sought to take advantage of the seemingly problematic and disorganized academic discussions on knowledge and culture (i.e. cultural reproduction/cultural imperialism) by offering what they assert to be the purely ‘non-ideological’ solution of market efficiency. As stated earlier in this chapter, the ramifications of accepting such a thesis are extremely grave for Latin American countries, unlike the countries of the Global North where there are well established research universities.

According to Rhoads & Torres (2006), the appalling underfunding of higher education in Latin America is evidence of a political leadership mentality that says why ‘create’ knowledge when it can simply be ‘imported’ (Rhoads & Torres, 2006, p. xxix). This runs counter to the Latin American tradition of autonomous higher education as part of a scientific community where competition and distinction is “grounded in a kind of socialism of knowledge as a

¹⁶ The term “international development regime” refers collectively to an overarching global institutional structure comprised of: international financial/trade institutions (World Bank, IMF, and WTO); specialized International aid/relief organizations (UNESCO etc.); donor countries and mainstream NGOs, economists/academics, policy-makers and practitioners.

cooperative enterprise”. Rhoads & Torres (2006) astutely posit that “truth cannot be patented and sold off to the highest bidders” and that the competitive process underlying science [i.e. scientific inquiry] is quite distinct from that of private enterprise” (Rhoads & Torres, 2006, p. xxix).

Whereas the neoliberal model positions higher education as integrated into the systems of production and accumulation where knowledge is reduced to purely economic functions contributing to individual benefits, a critical political economy approach defends the autonomy of higher education where socially conscious institutions perform the essential cultural function of ‘humanization’. (Rhoads & Torres, 2006, p. xxxi). While it is true that the paradigm of the university as a ‘marketized for-profit enterprise’ exists in some countries (i.e. North America and the United Kingdom) without markedly adverse effects and thus it is difficult to draw attention to or rally support for challenging such a paradigm, the same cannot be said of Latin America.

Higher education in Latin America has a deservedly famous and long history of activism where “students and faculty are wide awake to the problems” (Rhoads & Torres, 2006, p. xxxii). The 1968 student movement and the 1999 student strike at the *Universidad Nacional Autónoma de México* (UNAM) (National Autonomous University of Mexico) are often highlighted by authors as excellent examples of such activism. Both cases may be seen as a reaction to an absence of real autonomy as well as an attempt to advance democratic reform on a national scale (Ordorika, 2003; Rhoads & Torres, 2006). Either interpretation usefully highlights the role of universities vis-à-vis their perceived public missions in Mexico and Latin America.

2.6.2 Summary

In this review of the literature on higher education and development we have attempted to provide a working definition of development; an overview of public goods, the public good and

the public sphere; the role of universities as a public good in the public sphere; marketized higher education and its viability in the Latin American context. Having established this theoretical framework, this thesis now shifts its focus to an empirical examination of the status of the Mexican higher education system (MHES) over the past three decades.

Chapter III: Research Methodology and Empirical Data

3.1 Research Methodology

The case of Mexico is particularly instructive in terms of the impact that intense insertion into a global economy, where private enterprises engage in the for-profit educational programs and products industry, has had/continues to have on the national development process of Latin American countries. Within this new globalized economy, HEIs, particularly universities, have been pressed into a higher education market where knowledge and academic credentials are commodified and commercialized.

The neoliberal shift towards privatization and marketization *en masse* has intensified the significance of defining and clearly expressing the role of universities in combating underdevelopment in countries such as Mexico. Given the established importance of HEIs as social institutions capable of positively contributing to the eradication of underdevelopment, there are multidimensional benefits to determining/understanding the nature of the transformation in higher education systems that is occurring in Latin America broadly and Mexico specifically.

In order to better comprehend the nature, scope and scale of the transformation of the higher education system in Mexico, this thesis uses a “critical social science” (CSS) approach (Neuman, 2006, p. 94). As indicated in the title of this thesis, a transformative perspective towards knowledge application is essential. Within a transformative perspective, knowledge is used to fundamentally alter and reorganize basic structures and to breach existing limitations (Neuman, 2006, p. 100). This transformative perspective requires a “reflexive-dialectic orientation” that treats the external and internal realities as inseparable interwoven parts of the

same whole (Neuman, 2006, p. 100). While most CSS research tends to emphasize qualitative data because of its ability to provide nuance and context, the social phenomena at the center of this thesis also demands the structured analysis of statistical data. Attempting to analyze the effects of choosing one higher education paradigm over another without reference to statistical data would be impossible. Therefore, both “hard” (i.e. quantitative) and soft (i.e. qualitative) data sources are required.

As mentioned in chapter 1, this thesis focuses on one broad question: is the Mexican higher education system undergoing a process of marketization and if so what, if any, have been/will be the impacts on its [public] universities vis-à-vis their capacity to contributing to the eradication of underdevelopment? This can be expanded into the following sub-questions:

1. What has been the traditional/standard view in Mexico of higher education as a public good?
2. What has been the means of privatization of higher education in Mexico?
3. What is the current state of the commodification (i.e. for-profit) of higher education in Mexico?
4. What impact has the marketization process had on universities generally and public universities particularly, especially with regard to public goods and the public sphere?

3.1.2 Data & Collection Strategy

This research project uses both quantitative (hard) and qualitative (soft) data retrieved from secondary sources such as peer-reviewed academic journal articles; scholarly books; government

documents, websites, surveys and reports; newspaper articles; archival data as well as reports/documents from other relevant institutions and organizations. Key statistical data sources utilized for this research project may also be categorized as follows:

1) International:

- A. The United Nations Statistics Division (UNSD)
- B. The United Nations Development Program (UNDP)
- C. World Bank (WB)
- D. International Monetary Fund (IMF)
- E. World Trade Organization (WTO)

2) Regional: Economic Commission for Latin America and the Caribbean (ECLAC) / *La Comisión Económica para América Latina (CEPAL)*

3) National:

- A. The National Institute of Statistics, Geography and Informatics / *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*¹⁷
- B. The Secretariat of Public Education / *Secretaría de Educación Pública (SEP)*¹⁸
- C. The Department of Higher Education / *Subsecretaría de Educación Superior (SES)*¹⁹
- D. The Secretariat of Economy / *La Secretaría de Economía (SE)*²⁰
- E. National Council on Evaluation of Social Development Policy / *Consejo Nacional de Evaluación de la Política de Desarrollo Social (CONEVAL)*²¹

¹⁷ <http://www.inegi.org.mx/inegi/acercade/default.aspx>

¹⁸ http://www.sep.gob.mx/es/sep1/educacion_por_niveles

¹⁹ <http://www.ses.sep.gob.mx/index.jsp>

²⁰ <http://www.economia.gob.mx/>

F. The National Council for Science and Technology/ El Consejo Nacional de Ciencia y Tecnología (CONACYT)²²

G. Federation of Private Mexican Institutions of Higher Education / *Federación de Instituciones Mexicanas Particulares de Educación Superior* (FIMPES)²³;

H. National Association of Universities and Institutions of Higher Education / *Asociación Nacional de Universidades e Instituciones de Educación Superior* (ANUIES)²⁴

While national statistics are very important, this research also placed special emphasis on regional analysis. The states of Jalisco, Nuevo Leon, Estado de Mexico, Puebla, Veracruz and the Federal District are notable for the prominence of private sector growth in higher education over past two decades. These states also represent the most industrialized and urbanized regions in the country; they are home to the largest/oldest public and private universities; they demonstrate the highest enrolment expansion rates generally and the highest private enrolment rates particularly; collectively they represent the majority of national public and private higher education enrolments. It is fair to say that ‘regional markets’ for higher education have developed in Mexico. Thus, these markets must be examined in order to comprehensively analyze the overarching phenomenon of higher education marketization in Mexico.

Having explained the research methodology, this chapter will now provide summarized background information on Mexico and then proceed to the empirical data on the higher education system in Mexico. This empirical data is paramount because the findings will serve to contextualize the issues and debates previously examined in chapter two, thereby setting the stage for their analysis and discussion in the proceeding chapter.

²¹ <http://www.coneval.gob.mx/Paginas/principal.aspx>

²² <http://www.conacyt.gob.mx/Paginas/InicioNueva.aspx>

²³ <http://www.fimpes.org.mx/index.php/inicio/que-es-la-fimpes>

²⁴ <http://www.anuies.mx/>

3.2 Background on Mexico

3.2.1 Political Structure, Geography and Demographics.

The United Mexican States (*Los Estados Unidos Mexicanos*), more commonly known as simply Mexico, is a federal constitutional republic comprised of thirty-one states and one Federal District (*Distrito Federal*) - Mexico City (*Ciudad de Mexico*). According to Article 44 of the Mexican constitution, Mexico City is also the national headquarters of executive, legislative and judicial power as well as the national Capital City. Mexico City, in its role as the Federal District, is endowed with a unique level of political autonomy. Hence, Mexico City has its own government composed of executive, legislative and judicial branches known as the Government of the Federal District (*Gobierno del Distrito Federal*), the Legislative Assembly of the Federal District (*Asamblea Legislativa del Distrito Federal*) and the Federal District Judiciary (*Poder Judicial del Distrito Federal*) respectively²⁵. Elections for The Head of Government of the Federal District (*Jefe de Gobierno del Distrito Federal*)²⁶ are held concurrently with presidential elections with no possibility of re-election. Dr. Miguel Ángel Mancera Espinosa is the incumbent, having won over 63% of the vote (Instituto Federal Electoral, 2013).

At the national level, the Mexican constitution requires that the president of the republic be directly elected by secret ballot every six years with no possibility of re-election for an incumbent president. Enrique Peña Nieto of the Institutional Revolutionary Party, *Partido Revolucionario Institucional* (PRI), was elected as Mexico's 57th President on July 1st of 2012 with approximately 38% of the vote (Instituto Federal Electoral, 2013). There are 20 Executive

²⁵ <http://www.df.gob.mx/index.php/gobierno>

²⁶ The position/title of “Head of Government of the Federal District” is often erroneously translated into English as “Mayor of Mexico City”.

Secretariats in the presidential cabinet including the Secretariat of Public Education, *Secretaría de Educación Pública* (SEP), which is currently headed by Emilio Chuayffet Chemor. At the state level, governors are directly elected by secret ballot every six years with no possibility of re-election for an incumbent and each state is host to an office of the SEP.

With an estimated population of over 112 million inhabitants, Mexico is the eleventh most populous country in the world as well as being the most populous Spanish speaking country in the Americas (INEGI, 2012, pp. 77-79). As Table 1 demonstrates, Mexico’s population is relatively youthful with approximately 29.3% of its inhabitants under age 14; approximately 26.8% are between 15 and 29 years old, which is the prime age range for entry into higher education, and only 9.1% over age 60. It is also noteworthy that the percentage of inhabitants between 15 and 29 is almost evenly divided between males and females at 26.8% and 26.7% respectively (INEGI, 2012).

Table 1: Percentage distribution of total population
By five-year age group and gender

AGE	MALE %	FEMALE %
85-100	0.3	0.4
80-84	0.3	0.4
75-79	0.5	0.6
70-74	0.8	0.9
65-69	1.0	1.1
60-64	1.3	1.5
55-59	1.7	1.8
50-54	2.2	2.4
45-49	2.5	2.8
40-44	3.0	3.3
35-39	3.6	3.9
30-34	3.6	4.0
25-29	3.8	4.1
20-24	4.3	4.6
15-19	5.0	5.0
10-14	5.0	4.9
5-9	5.1	4.9
0-4	4.8	4.7

Having a surface area of almost two million square kilometres, Mexico is the fifth largest country in the Americas by total area and the 13th largest independent nation in the world (INEGI, 2012, pp. 47-49). As Figure 1 shows, Mexico is bordered on the north by the United States of America; on the south and west by the Pacific Ocean; on the southeast by Guatemala, Belize, and the Caribbean Sea; and on the east by the Gulf of

Mexico.

3.2.3 Social Indicators

In July of 2011 the National Council on Evaluation of Social Development Policy, *Consejo Nacional de Evaluación de la Política de Desarrollo Social (CONEVAL)*, issued the ‘Evaluation Report of Social Development Policy in Mexico-2012’. The report states that 46.2 % of Mexico’s total population lived in poverty, mainly in urban areas, representing 52 million people in 2010. Meanwhile, the number of persons living in extreme poverty (surviving on less than US\$76 a month in urban areas, and less than US\$53 a month in rural areas) was reduced slightly from 10.6% in 2008 to 10.4% in 2010 representing 11.7 million people (CONEVAL, 2013)²⁷.

²⁷ http://web.coneval.gob.mx/Informes/Evaluacion/IEPDS2012/Pages-IEPDSMex2012-12nov-VFinal_lowres6.pdf

Figure 1 - Map of Mexico



Source: <http://geology.com/world/mexico-satellite-image.shtml>

The Human Development Report (HDR) published in 2013 titled “Rise of the South”, highlights Mexico (along with Indonesia, South Africa, Thailand and Turkey) as having markedly improved human development and becoming a leading global actor. For 2012 Mexico’s HDI value is 0.775 (see Appendix D), placing it in the high human development category. This HDI value gives Mexico a ranking of 61 out of 187 countries and territories. Between 1980 and 2012, Mexico’s HDI value increased from 0.598 to 0.775, an increase of 30 percent or average annual increase of about 0.8 percent. In the 2011 HDR, Mexico was ranked

57 out of 187 countries. However, it is misleading to compare values and rankings with those of previously published reports, because the underlying data and methods have changed. Table 2 shows Mexico's progress in each of the HDI indicators. Between 1980 and 2012, Mexico's life expectancy at birth increased by 10.5 years, mean years of schooling increased by 4.5 years and expected years of schooling increased by 3.2 years. Mexico's Gross National Income (GNI) per capita increased by about 31 percent between 1980 and 2012.

Table 2: Mexico's HDI trends 1980 - 2012

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$)	HDI value
1980	66.6	10.5	4	9,912	0.598
1985	68.8	11.4	4.8	9,673	0.635
1990	70.8	10.9	5.5	9,663	0.654
1995	72.8	11.1	6.4	9,397	0.679
2000	74.3	12	7.4	11,541	0.723
2005	75.6	12.9	7.8	11,970	0.745
2010	76.7	13.7	8.5	12,297	0.77
2011	77	13.7	8.5	12,601	0.773
2012	77.1	13.7	8.5	12,947	0.775

Source: <http://hdrstats.undp.org/images/explanations/MEX.pdf>

Figure 2 - Human Development Trends 1980-2013

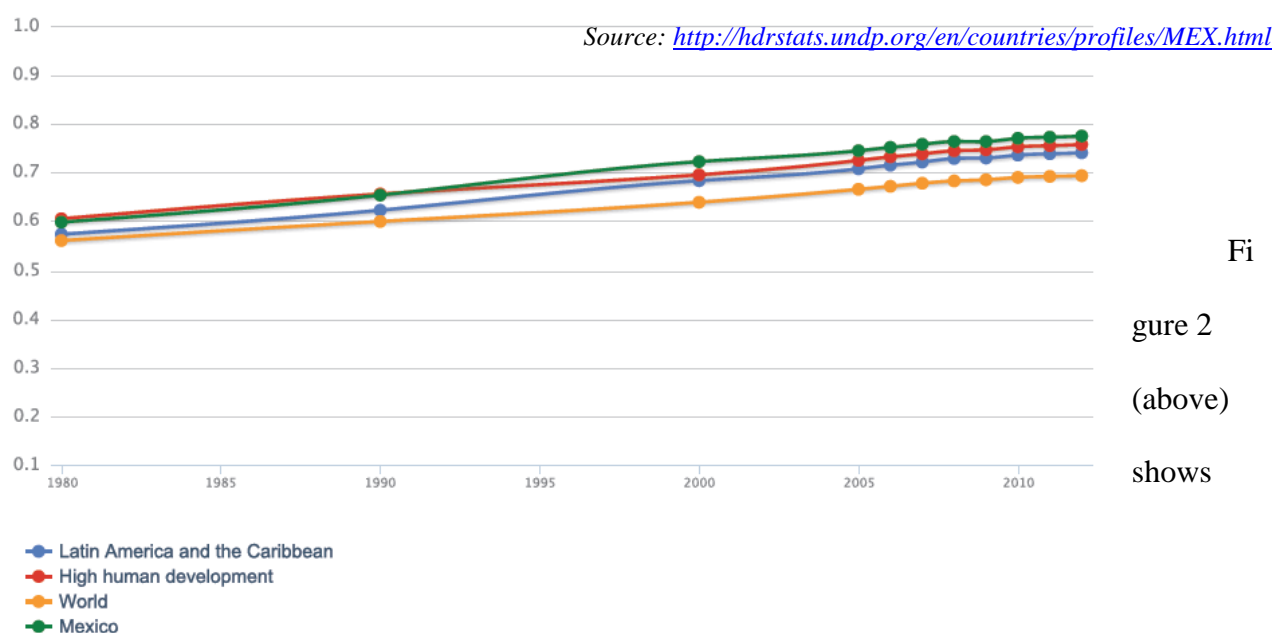


Figure 2 (above) shows

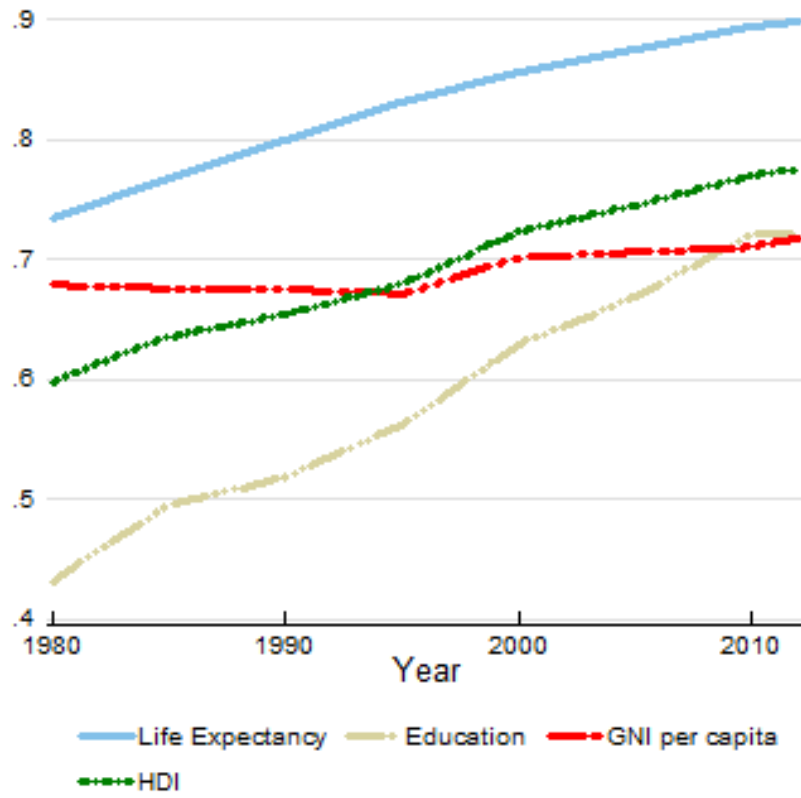
Mexico's HDI trends from 1980 to 2013 relative to the broader Latin American region and the world as a whole. This graphic indicates a consistent improvement in human development over the past 30 years, with Mexico entering into the 'high human development' category towards the end of the 20th century.

Figure 3 (below) demonstrates the contribution of each component index to Mexico's HDI from 1980 to 2012. Between 1980 and 2012 Mexico's HDI rose by 0.9% annually from 0.598 to 0.775 today, which gives the country a rank of 61 out of 187 countries with comparable data. The HDI of Latin America and the Caribbean as a region increased from 0.574 in 1980 to 0.741 today, placing Mexico above the regional average (UNDP, 2013)²⁸.

Figure 3: Trends in Mexico's HDI component indices 1980-2012

²⁸ <http://hdrstats.undp.org/en/countries/profiles/MEX.html>

Human development Index



Source: <http://hdrstats.undp.org/images/explanations/MEX.pdf>

3.2.2 Economic Indicators

Mexico has the second largest economy in Latin America with a GDP of \$ US 1.153 trillion²⁹. [Yet this figure is less than half that of Brazil whose GDP of \$US 2.477 trillion is the largest in Latin America.] Mexico's largest trade partners are the United States of America and Canada, representing 80% of total exports for 2012 (Secretaria de Economia, 2013)³⁰. According to the World Bank, Mexico has "remained resilient to the U.S. slowdown and the financial turmoil from Europe. Although the country is closely integrated with the U.S. industrial production sector and international capital markets; its strong fundamentals, sound policy frameworks and management have resulted in favourable financial conditions that have supported national economic activity" (World Bank, 2013). External and internal demand and an expansion in services supported growth of 3.9% during 2012. Gross Domestic Product (GDP) is expected to grow 3.5% during 2013 with a recovery in 2014 (World Bank, 2013)³¹.

Mexico has a network of 12 Free Trade Agreements (FTAs) with 44 countries, 28 Reciprocal Investment Promotion and Protection Agreements (RIPPAs) and 9 trade agreements (Economic Complementation and Partial Scope Agreements) within the framework of the Latin American Integration Association (ALADI). In addition, Mexico is an active participant in multilateral and regional organisms and forums such as the World Trade Organization (WTO), the Asia-Pacific Economic Cooperation (APEC) mechanism, the Organization for Economic Cooperation and Development (OECD) and the ALADI³². The automotive industry plays a significant role in the Mexican economy; Mexico occupies ninth

²⁹ <http://data.worldbank.org/country/mexico>

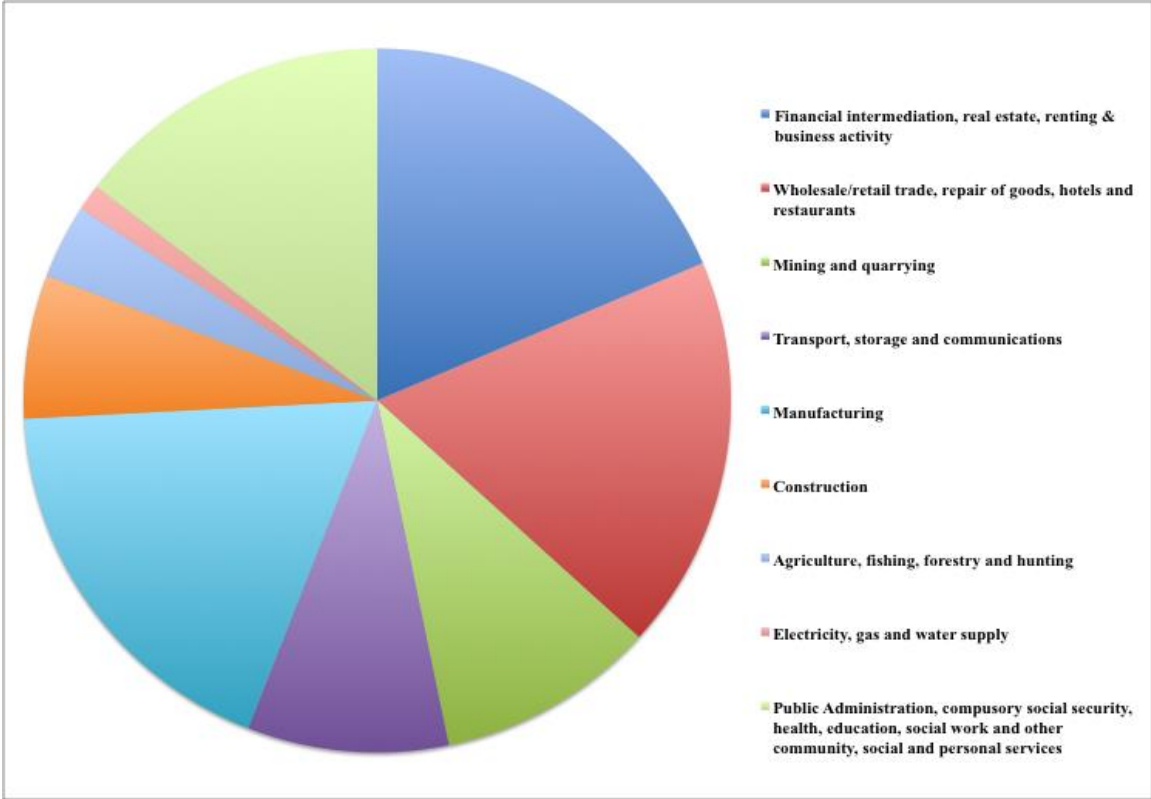
³⁰ http://www.economia.gob.mx/files/comunidad_negocios/comercio_exterior/informacion_estadistica/Acum-Exporta.pdf

³¹ <http://www.worldbank.org/en/country/mexico/overview>

³² <http://www.economia.gob.mx/trade-and-investment/foreign-trade/international-trade-negotiations>

place in the world as a vehicle producer and the sixth most important vehicle exporter. The sector contributes 3.0% of the Gross Domestic Product (GDP) and 17.2% of manufacturing GDP. It generates 16.4% of all manufacturing jobs. The value of automotive exports of more than US\$60 billion a year represents 22.4% of total exports; it is the main source of foreign currency in the country, surpassing remittances from immigrant Mexicans working abroad and the value of oil exports. Mexico is the main supplier of vehicle imports of the USA, with a 26.3% share (Secretaria de Economia, 2013)³³.

Figure 4 - Mexico's GDP by economic activity (2011 prices)



Source:
http://interwp.cepal.org/cepalstat/WEB_cepalstat/Perfil_nacional_economico.asp?Pais=MEX&idioma=i

³³ <http://www.economia.gob.mx/industry/sectoral-information/automotive>

3.2.3 Mexican Education System

The structure of Mexico's National Education System, *Sistema Educativo Nacional (SEN)*, is based on a complex hierarchical legal system comprised of constitutional, general and regulatory law. Essentially, the constitutional law defines critical terms and outlines fundamental rights and responsibilities; the general law provides expanded explanations of such terms, rights, and responsibilities and the related procedures; the regulatory law presents detailed rules and procedural instructions for definition, provision, implementation and protection of such terms, rights and responsibilities.

The right to education and the guidelines for its provision are set forth in Articles 3 and 31 of the Mexican Constitution and the 1993 General Law on Education, *Ley General de Educación (LGE)*, respectively. Together, these comprise the legal framework regulating the Mexican education system:

“Every individual has the right to receive education. The State-Federal government, states, Federal District and municipalities shall impart pre-primary, primary, lower-secondary and upper-secondary education. Basic education is comprised of pre-primary, primary and lower-secondary education; basic education and upper-secondary education shall be obligatory.

The education provided by the State will harmoniously develop all the faculties of the human being and will simultaneously promote in him a love for the Nation, respect for human rights and the awareness of international solidarity, independence and justice.”

– Article 3, Mexican Constitution³⁴

“The obligations of the Mexicans:

³⁴ Last reform published in the Official Journal of the Federation (DOF) on 26.02.2013.

I. Make their children or wards attend public or private schools in order to obtain pre- primary, primary, lower-secondary, upper-secondary education and receive military education under the terms established by law.”

– Article 31, Mexican Constitution³⁵

“The national education system is comprised of:

...VI. The private institutions with authorization or recognition of official validity of studies and

VII. The institutions of higher education to which the law gives autonomy.”

– Article 10, General Law on Education³⁶

Thus the organizing and structuring of the SEN is a direct result of the constitutional and general legal framework. As Figure 5 illustrates, the education system of Mexico is divided into three types: Basic Education (*Educación Básica*), Upper-Secondary Education (*Educación Media Superior*) and Higher Education (*Educación Superior*). As Figure 5 shows, Higher Education in Mexico takes place after Upper-Secondary Education and is classified into three levels: (1) Higher Technical (*Técnico Superior*), (2) Undergraduate (*Licenciatura*) and (3) Postgraduate (*Posgrado*);

(1) Higher Technical: provides technical training to cultivate skilled professionals for working in a specific discipline. Students are trained in various fields of study with curriculums of two to three years resulting in the award of a diploma that is roughly equivalent to the North American community college diploma or advanced diploma.

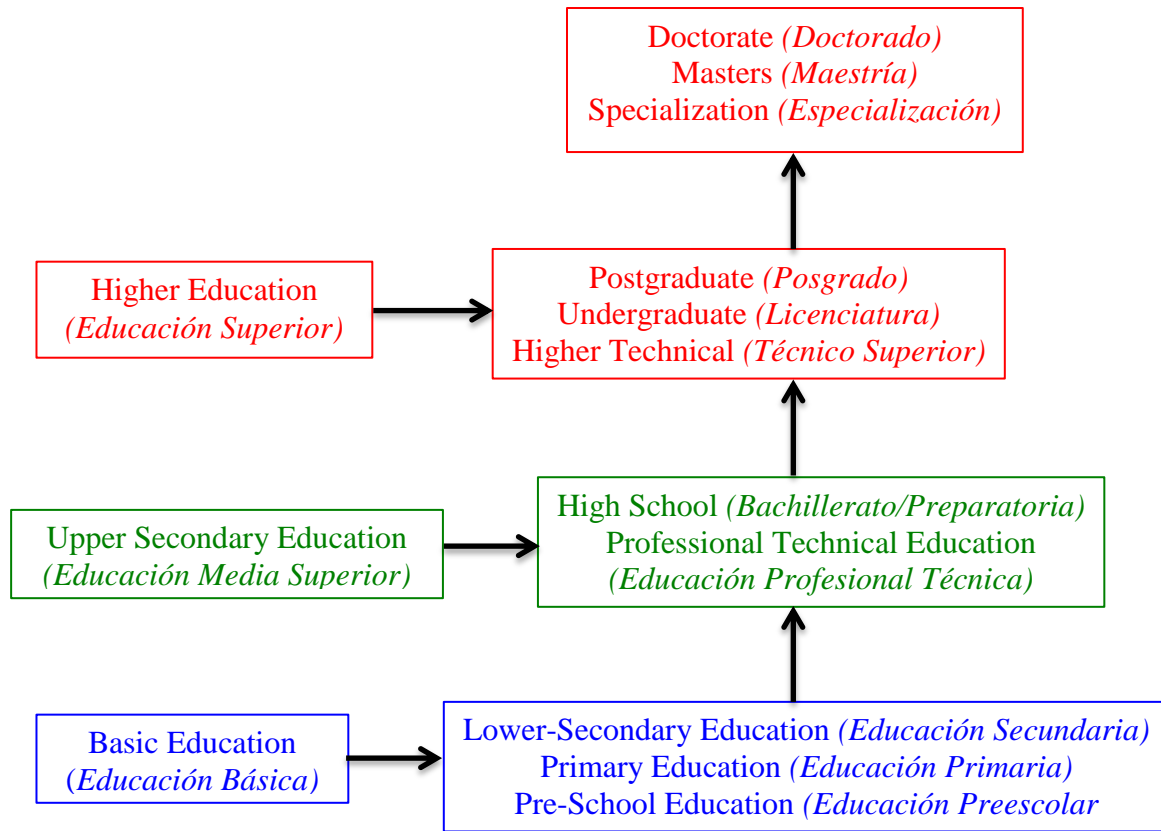
(2) Undergraduate (*Licenciatura*): studied in technological institutes, universities and teachers' colleges. Professionals are trained in diverse fields of study with curriculums of four to five years resulting in the award of a degree that is equivalent to the North American Bachelor's degree.

³⁵ Last reform published in the Official Journal of the Federation (DOF) on 26.02.2013.

³⁶ Last reform published in the Official Journal of the Federation (DOF) on 09.04.2012.

(3) Postgraduate (*Posgrado*): Entry in to this level of studies requires an undergraduate degree (*licenciatura*) and is sub-classified into Specialization (*Especialización*), Masters (*Maestría*) or Doctorate (*Doctorado*) with minimum curriculums of one, two and three years respectively. Direct entry into doctoral studies with an undergraduate degree is possible and entails a longer minimum curriculum of five years.

Figure 5 - Mexican Education System Structure



Public Higher Education in Mexico is composed of diverse institutional modalities including: Institutes of Technology, State Public Universities, Higher Normal Education, Public Research Centers, Intercultural Universities, Technical Universities, Federal Public Universities, Polytechnic Universities, Newly Created Higher Education Institutions and other public institutions. Private Higher Education in Mexico is similarly composed of diverse institutional modalities including: Institutes of Technology, Research Centers, Technical Universities, Polytechnic Universities, and Virtual (i.e. online) Universities.

In terms of Higher Normal Education, there are 273 public normal schools in Mexico offering undergraduate teacher-training degree programs in preschool, primary, bilingual intercultural primary, secondary, special, initial, physical and artistic education. There are more than 93,000 students enrolled in these institutions (SES, 2013). There are 30 Public Research Centers covering areas such as natural and exact sciences; humanities and social sciences and technological development. There are 29 State Public Universities (see Appendix A) and 6 Federal Public Universities (see Appendix B). State Public Universities are responsible for the teaching, generation and innovative application of knowledge, as well as the dissemination of culture while the Federal Public Universities additionally engage in an intensive broad spectrum of advanced research projects and programs (SES, 2013). Currently, the states of Jalisco, Nuevo Leon, Estado de Mexico, Puebla, Veracruz and the Federal District are home to the largest populations of university students (INEGI, 2012).

Within the Department of Higher Education there is a National System of Evaluation, Accreditation and Certification (*Sistema Nacional de Evaluación, Acreditación y Certificación*) comprised of the following 9 entities:

- 1) Council for Higher Education Accreditation
Consejo para la Acreditación de la Educación Superior (COPAES)
- 2) Inter-Institutional Committees for the Evaluation of Higher Education
Comités Interinstitucionales para la Evaluación de la Educación Superior (CIEES)
- 3) National Center for Higher Education Evaluation
Centro Nacional de Evaluación para la Educación Superior (CENEVAL)
- 4) Recognition of Official Validity of Studies
Reconocimiento de Validez Oficial de Estudios (RVOE)
- 5) Comprehensive Institution Enhancement Programme
Programa Integral de Fortalecimiento Institucional (PIFI)
- 6) Program for the Improvement of the Professoriate
Programa para el Mejoramiento del Profesorado (PROMEP)
- 7) National System of Researchers
Sistema Nacional de Investigadores (SNI)
- 8) National Program of Postgraduate Quality
Programa Nacional de Posgrados de Calidad (PNPC)
- 9) General Directorate of Professions
Dirección General de Profesiones (DGP)

The COPAES is the only authority validated by the Secretariat of Public Education (SEP) to confer formal recognition for organizations whose purpose is to accredit all higher education programs after evaluation of their technical, operational and structural capacities. This authorization was granted on 8 November 2000 through an agreement signed with SEP (COAPES, 2013). During the first decade of its existence, COPAES operated under the umbrella of CIEES, however, based on the priority actions of the 2007-2012 Education Sector Program, a

decision was made to separate the two agencies in order to coordinate the work of the different levels of evaluation and accreditation that existed at the time, and realize the creation of a National System of Evaluation Accreditation and Certification of Higher Education. The Department of Higher Education's website also lists the following 7 national entities as being especially important to the organization and administration of the higher education in Mexico:

- (1) National Association of Universities and Institutions of Higher Education
Asociación Nacional de Universidades e Instituciones de Educación Superior (ANUIES)
- (2) National Council for Science and Technology
Consejo Nacional de Ciencia y Tecnología (CONACYT)
- (3) Consortium of Mexican Universities
Consortio de Universidades Mexicanas (CUMEX)
- (4) Federation of Private Mexican Institutions of Higher Education
Federación de Instituciones Mexicanas Particulares de Educación Superior (FIMPES)
- (5) National Association of Technological Universities
Asociación Nacional de Universidades Tecnológicas (ANUT)
- (6) National Association of Polytechnic Universities
Asociación Nacional de Universidades Politécnicas (ANUP)
- (7) National Council of Education Authorities
Consejo Nacional de Autoridades Educativas (CONAEDU)

The National Association of Universities and Institutions of Higher Education (ANUIES) is a non-governmental association that brings together major institutions of higher education in the country, whose common denominator is their willingness to promote their overall improvement in the fields of teaching, research and extension of culture and services. ANUIES consists of 175 universities and colleges, both public and private, catering to 80% of the enrolment of students studying at the undergraduate and postgraduate levels (ANUIES, 2013).

The National Council for Science and Technology (CONACYT) was established by an Act of the Federal Congress on December 29, 1970, as a decentralized public agency of the Federal Government and an integral part of the Education Sector, with autonomous legal personality and property. With the passing of the Law on Science and Technology and the General Law on the National Council for Science and Technology in June of 2002, CONACYT consolidated its legal mandate to develop, coordinate and promote scientific and technological development policies in Mexico. To this end, CONACYT administers scholarships for postgraduate students to conduct research at HEIs in Mexico and abroad by drawing on a variety of Scholarship Funds at its disposal. CONACYT is also responsible for administering the National System of Researchers (SNI) whose constituent members receive monetary compensation (additional to their salaries) dependent on research production (and publication) and peer committee evaluation. This monetary compensation is only paid to researchers working in the public sector for HEIs located within Mexico. CONACYT is additionally responsible for managing all 30 of Mexico's Public Research Centers (CONACYT, 2012).

Established in 1982, the Federation of Private Mexican Institutions of Higher Education (FIMPES) is a registered non-profit that groups together 112 private Mexican institutions. According to FIMPES, it aims to “improve communication and collaboration of its member HEIs with each other and with other educational institutions in the country, according to the particular purposes of each, so that its members can better fulfill their responsibility to serve the nation” (FIMPES, 2013). The member HEIs of FIMPES have a combined enrolment of nearly 500,000 students, accounting for 16% of the total HE enrolment in the country. FIMPES makes a point of mentioning the “rich heterogeneity of its HEI members” some of which are “faith-based (Adventist, Catholic, Methodist and others) and some are secular” on its website (FIMPES,

2013). FIMPES member HEIs are located across Mexico: 38 in the Central Zone, 22 in the Northeast, 21 in the North-west and West and 31 in the South (FIMPES, 2013). The broad spectrum coverage of HEIs, particularly private universities, which are constituent members of ANUIES and FIMPES, must be examined within the larger context of an ongoing process of growth and expansion of the Mexican Higher Education System (MHES).

3.3 Mexican Higher Education: Growth and Expansion

The evolution of the modern Mexican Higher Education System (MHES) can be divided into four main periods or stages: moderate expansion from 1960 to 1969; highly accelerated expansion from 1970 to 1982; slow growth from 1982 to 1989; renewed highly accelerated expansion and diversification from 1990 onwards (Kent, 1993) (Gil-Anton, 1996) (Grediaga-Kuri, 2000). For the purposes of this thesis, data for the first stage from 1960 to 1969 has been excluded due to its extremely restricted relevance. Higher education policy data for the second stage, from 1970 to 1982, is included as it contextualizes the policy changes that would subsequently occur. The third and fourth (i.e. ongoing) stages are centrally relevant. The slow growth stage from 1982 to 1989 was largely a result of an economic crisis provoked by international debt and dramatic declines in oil prices on the global market. The ongoing stage of accelerated expansion and diversification continues to be significantly marked by largely unregulated private sector growth. The data for the second, third and fourth stages is presented here with a focus on policy. Data for the ongoing stage has been categorized as follows: policy, enrolment, institutional autonomy and funding; institutional information and competition. The data presented on the third (1982-89) and fourth (1990 onwards) stages will help to determine

what have been the means of privatization and the current state of the commodification of higher education in Mexico.

3.3.1 Policy: from public growth to unregulated private expansion

Mexican higher education policy of the 1970s was the result of several interrelated factors: an economic policy that favoured the State's participation in productive activities and services; the need to renew the pool of professionals, technicians, and political leaders in order to promote development policies; and a significant increase in the level of support for social projects from multilateral development (Ordorika, 2004, p. 222) During this period, Mexican higher education policy was largely dictated by an overriding public discourse that emphasized "the democratic and progressive value of higher education" (Kent, 1993) where access to higher education was viewed as "a right to a public service that the State was obligated to offer all citizens" (Fuentes, 1989). This was manifested in a two-pronged higher education policy comprised of non-selective entry to higher education and continued financial support from the State. System expansion and renewal were the two "fundamental instruments" of HE policy during this period (Ordorika, 2004). 'Non-selective entry' entailed the absence of entrance examinations or similar admission criteria. This policy of "non-selective entry" played an enormous role in the highly accelerated and largely unregulated expansion of the MHES, especially in the public sector, during the 1970 to 1982 period. The other major factor was sustained State funding.

The relative prosperity of the 1970s, based largely on oil and petroleum industry profits, encouraged State funding of higher education and resulted in a concurrent growth in enrolment that is detailed in the subsequent section of this chapter. According to Kent (1993), a type of welfare politics emerged as the basic dynamics of the Mexican HE system during the 1970s.

There was a political exchange where State funding of universities was reciprocated by the integration of the beneficiaries of this funding – the children of the middle-class – into established political and ideological value systems (Kent, 1993). This involved a political relationship where the government sought to establish planning mechanisms and generalized objectives for universities. ANUIES³⁷ was utilized as a ‘legitimizing’ planning and consultancy entity for national plans for HE development. However, the autonomy of the universities ensured that compliance with such national plans was effectively a discretionary decision, especially since funding (from the federal/state governments) was linked to enrolment numbers instead of successful implementation of national higher education planning objectives. The strategic utilization of a private actor such as ANUIES in the formulation and execution of policy marked the beginning of a neoliberal shift in higher education policy in Mexico (Ordorika, 2004). This general policy focus would continue until the 1980s when a concentrated push for ‘modernization’ would emerge in the education policy agendas of successive presidential administrations in Mexico.

Any discussion of higher education policy in Mexico during the 1980s without mentioning the economic crisis of 1982 would be disingenuous. The magnitude of the crisis is reflected in the expression that is often used to refer to this period in Mexico and Latin America generally: “*La Década Perdida*” (“The Lost Decade”). Prior to the crisis, higher education financing represented 1.02 % of GDP³⁸. A fundamental shift in policy making and implementation took place after the 1982 crisis, which coincided with the presidency of Miguel de la Madrid (1982-88). Public administration would now be based on fiscal austerity, reducing bureaucracies and institutional downsizing (Ordorika & Rodriguez-Gomez, 2011). The decision

³⁷ ANUIES is a non-governmental association of private HEIs in Mexico.

³⁸ Other sources place this number lower, at 0.68 % (Ordorika & Rodriguez-Gomez, 2011)

was made, at the federal level, to have legally mandated strategic planning of public policy and administration in order to avert the recurrence of economic disasters of this magnitude. Thus, in 1983 a General Planning Law was passed by the Federal Congress that obligates each federal government to prepare a six-year National Development Plan (PDN). The PDN is then used as the basis for sector programs such as the National Educational Program. By 1989, higher education financing represented 0.77 % of GDP³⁹. This figure represents a 25% reduction in higher education funding between 1981 and 1989 (Kent, 1993, p. 78). Although funding was dramatically reduced, there were no other official policy changes with respect to higher education. Fuentes (1991) has described this policy shift as ‘benign neglect’. Central to this was the decentralization of the funding of public higher education and diversification of course offerings as well as the available modalities. At the national level, State funding for educational programs and projects were redirected towards primary education. This aligned with the generalized shift to a ‘basic needs’ approach that prioritized the United Nations MDG goals. Complementing this was a new focus on work training (known in Spanish as ‘*capacitacion para el trabajo*’) via technical and sub-baccalaureate education designed to prepare more students to enter the job market. The correlated impacts on growth in public higher education vis-à-vis private higher education are detailed in a subsequent section of this chapter. This decade effectively marked the beginning of the neoliberal policy shift in higher education funding, planning and organization throughout Mexico. This new policy emphasized efficiency, competitiveness, accountability, quality and responsiveness, ostensibly to overcome past hurdles in development of the national higher education system. Notably, Article 3 of the Mexican constitution had been significantly reformed in 1980. These reforms were primarily concerned

³⁹ Other sources place this number lower, at 0.41 % (Ordorika & Rodriguez-Gomez, 2011). Nevertheless this lower figure would still represent effectively the same 25-27% reduction in higher education funding from 1980 to 1989.

with elevating the institutional autonomy of universities to the constitutional level and effectively paved the way for this dramatic shift in higher education policy. This neoliberal shift would continue and be strengthened during successive federal government administrations throughout the 1990s.

The administrations of both Presidents Salinas (1988-1994) and Zedillo (1994-2000) heavily emphasized 'modernization'. Generally, Mexico's socioeconomic and political orientation was largely determined by a fervent desire to embrace globalized free-trade. Central to this process was the celebration of Free Trade Agreements (FTAs), most notably the North American Free Trade Agreement (NAFTA) during the Salinas administration. The supranational nature of these FTAs required State disinvestment from key economic and social activities such as the educational sector. Concurrently, the State promoted private investment in such sectors (Ordorika & Rodriguez-Gomez, 2011). The decentralization and diversification efforts that began during the 1980s were continued and fortified in the 1990s.

During the Salinas presidency (1988-1994), when Ernesto Zedillo was Secretary of Public Education, the Mexican education system was completely reformed. This reformation coincided with the National Development Plan, *Plan Nacional de Desarrollo 1989-1994 (PND)*, and was initiated by the introduction of the 1989-1994 Educational Modernization Program, *Programa de Modernización Educativa (PME)* (CONEVyT-INEA, 1989). The Educational Modernization Program was effectively the product of recommendations⁴⁰ made by ANUIES, a private actor in higher education, in response to a request by the Federal Government for a proposal that would command widespread consensus and could be incorporated into the government's program (Casanova & Rodriguez, 2005). The use of a private actor such as ANUIES, to assist in producing and legitimizing higher education policy marked a dramatic

⁴⁰ The proposal by ANUIES was entitled 'Declarations and contributions for the modernization of higher education'

departure from the centralized policy regimes of past administrations. In terms of higher education, the Educational Modernization Program targeted regional imbalances in enrolment; reducing excess specialization; the establishment of national criteria and guidelines for defining academic excellence; the implementation of higher education evaluation procedures to determine yield, productivity, efficiency and quality levels (Casanova & Rodriguez, 2005). The National Commission for Higher Education Planning (CONPES) was reactivated with a renewed focus on strategic planning and in 1991 CONPES published 'Priorities and commitments for higher education in Mexico 1991–1994' in which various measures for quality improvement were outlined. The number of publicly funded university seats was strategically expanded in some areas and reduced in others, based on national development priorities. The *de facto* policy was to leave private HEIs to absorb the shortfall in publicly funded university seats (Molinero, Rodriguez-Regordosa, & Sagarra, 2012). It is at this point that private HEIs would unofficially yet effectively assume a “demand absorbing” role (Ordorika & Rodriguez-Gomez, 2011). The data indicates that this policy significantly contributed to the expansion of an unregulated private higher education market. Complementing this dramatic realignment of higher education policy was the enactment of a new General Law on Education. This legislation was designed to facilitate the above mentioned modernizing strategies into the operation of the National Education System, and coincided with the signing of the North American Free Trade Agreement (NAFTA) in 1993. Having concretized the neoliberal modernization agenda, Salinas left office just as the 1994 Peso Crisis (often referred to as ‘The December Mistake’) began to unfold.

Shortly after entering office in 1994, newly elected Mexican President Ernesto Zedillo (1994-2000) formulated his Educational Development Program (PDE) within the context of a stark economic crisis. Within the space of one week, the Mexican Pesos lost almost half of its

value (relative to the U.S. dollar). Even after securing international loan guarantees worth US \$50 billion, the Mexican economy did not begin to recover until 1996 and the federal budget for higher education would not return to pre-crisis conditions until 1999/2000. The fiscal policy of Zedillo's administration was focussed on strengthening local economies in order to consolidate the decentralization processes that had begun in the 1980s (Ordorika & Rodriguez-Gomez, 2011). It is important to note that although annual higher education enrolment rates were considerably higher during Zedillo's presidency, his administration's expenditure on the sector did not reflect this growth. From 1988 to 1994 (Salinas's administration) expenditure on public higher education increased from 0.37% to 0.61% of GDP, but remained constant at approximately 0.60% during Zedillo's administration. This expenditure ratio remained constant even as enrolment increased by over 44,000 students per year during Zedillo's presidency. Zedillo's "expenditure containment policy" placed intense pressure on public higher education funding (Ordorika & Rodriguez-Gomez, 2011).

Following in the vein of the modernization push, the National Higher Education Program of the President Fox (2000-2006) tried to reorganize higher education in Mexico to become more responsive to economic and political demands (Casanova & Rodriguez, 2005). The public policies on higher education introduced in the 1990s were formalized; institutional and curricular diversification strategies were strengthened; and evaluation and regulatory agencies were consolidated.

During Fox's presidency, higher education discourse took on a decidedly econometric and market-driven focus and was considered to be a "...strategic means for the growth of human and social capital of the nation" (SEGOB, 2001). The PNE⁴¹ sought to make improvements in keys areas: access, equity and participation; quality; integration, coordination and management.

⁴¹ National Education Program (PNE)

The PNE was designed to facilitate expansive growth and diversification, particularly postgraduate educational offerings. There was also a marked push to encourage entrepreneurialism or an entrepreneurial mindset that was probably intended to strengthen linkages between higher education graduates and the market (Casanova & Rodriguez, 2005). The evaluation and, consequentially, the accreditation of HEIs became an increasingly important facet of higher education policy during this period. The General Law on Education was amended in 2002 to clarify rights and obligations for federal and state authorities. To this end, compensation for teachers and researchers was to increase commensurately with their professional output and achievement. The number of professors with postgraduate qualifications was also to be doubled by the year 2000 (Casanova & Rodriguez, 2005). Both of these measures were derived from market-driven ideologies of performance based compensation. In terms of institutional autonomy⁴², there was a trend towards relative decentralization in institutional decisions (Casanova & Rodriguez, 2005). There was also continuity in the evaluation and financial differentiation policies that had been setup by the previous administration. In order to enhance the diversification policy that began in previous administrations, two new institutional types were created: polytechnic universities and intercultural universities.

The creation of these new institutional types generated a proliferation of public HEIs. As more than 100 new public HEIs were created during the 2000s, new public resource allocation programs required higher standards of accountability. In this sense, accountability translated into the emergence of evaluation, accreditation and certification as key parts of public policy for higher education during this period (Ordorika & Rodriguez-Gomez, 2011). It was within this newly developed context of evaluation and accreditation that Felipe Calderon's administration

⁴² The available and relevant data on institutional autonomy is presented in section 3.3.4

presented the Sectorial Education Program, *Programa Sectorial de Educación* (PROSEDU) 2007-2012 as part of its National Development Plan 2007-2012.

The National Educational Program of Calderon's administration set forth six general objectives for regulating educational action and priorities: increase the quality of the education; widen educational opportunities and diminish inequalities among social groups; foster the development and use of Information and Communication Technology (ICT); provide comprehensive and democratic education; enhance awareness of social responsibility; foster inclusive institutional management and promote the security of students and teachers, as well as transparency and accountability (SEGOB, 2007). Of particular relevance to this thesis is the role that evaluation, accreditation and certification would acquire in public higher education policy.

As previously mentioned, institutional diversification generated numerous new public HEIs that were financed through public resources. In keeping with the market-driven principles of competitiveness, efficiency and quality, these new public HEIs would have to be subjected to evaluation, accreditation and or certification processes. Such processes were promoted as ostensibly guaranteeing that the "best performing" public HEIs would receive the greatest share of funding. The issues of institutional autonomy and funding as well as institutional information and competition are of substantive importance and are thus addressed in more detail in a subsequent section of this thesis. Before proceeding to those issues, it is necessary to examine in greater detail the data on higher education enrolment in Mexico.

3.3.2 Enrolment: the results of unregulated private expansion

As the data in the preceding section of this thesis has shown, high education policy in Mexico underwent a radical transformation beginning in the 1980s. By the 1990s, a policy of unregulated public higher education growth had been replaced by a policy of expenditure containment with private HEIs occupying a demand-absorbing role in a largely unregulated private market. The results of this drastic policy transformation manifested themselves in an alarming increase in private enrolment. The data presented here on enrolment has been restricted primarily to the period from 1990 onwards, beginning with data from the 2000s, as this is the period when the institutional diversification policy began.

In school year 2002-2003, enrolment in the National Education System (SEN) totaled 30.9 million students, representing 30 % of the national population. Higher education enrolment totaled 2.2 million students; representing 7 % of total national student enrolment at all levels (SEP, 2003). For school year 2011-2012, enrolment in the SEN totaled 34.8 million students, representing 31.9 % of the national population. This high student participation rate is directly related to the population structure where 22.6 % of Mexico's inhabitants are between ages 4 and 15. Higher education enrolment totaled 3.2 million students, representing 9.1 % of total national student enrolment at all levels (SEP, 2012). Undergraduate and postgraduate students accounted for 8.1 % and 0.7 % of total national student enrolment respectively. These enrolment figures represent significant increases over previous years.

The 2.2 million students enrolled in the SEN in 2002-2003, represented 18.5 % of the population aged 19 to 24 or 20.7 % aged 19 to 23 if postgraduate students are excluded (SEP, 2003). Within the higher education sector, enrolment was divided as follows: Higher Technical - 2.9 %, Undergraduate - 90.9 % and Postgraduate - 6.2 % respectively. Higher Normal Education

(i.e. university level teacher training) accounted for 8.2 % of undergraduate enrolment in the 2002-2003 school year⁴³. For the same period, total enrolment in public and private institutions represented 66.8 % and 33.2 % respectively (SEP, 2003). For 2011-2012, the 3.2 million students enrolled in the SEN represented 32.8 % of the population aged 19 to 23 (excluding postgraduate students). Within the higher education sector, enrolment was divided as follows: Higher Technical - 3.9 %, Undergraduate - 88.9 % and Postgraduate - 7.2 %, respectively. Higher Normal Education accounted for only 4.2 % of undergraduate enrolment. For this period, total enrolment in public and private institutions represented 68.3 % and 31.7 % respectively (SEP, 2012).

The magnitude and nature of the growth in higher education enrolment becomes even clearer when viewed over the past two decades. As Figure 6 illustrates, enrolment in higher education has more than doubled in past two decades from 1.25 to 3.16 million students. The additional 1.9 million students represent a 152 % expansion of the higher education sector over the period 1990-2012. For perspective, total national enrolment at all levels in the SEN grew only 36 % from 25 to 34 million students. In general, growth in the higher education sector has consistently outpaced all other sectors (i.e. basic and upper-secondary education) (SEP, 2012). Specifically, private enrolment within higher education as a whole has increased from 19.1 % in 1990-1991 to 31.7 % in 2011-2012 at the nation level (see Appendix F, Figure 6). The actual numbers of students enrolled over the same period is even more telling: In 1990-1991 there were 238,533 students enrolled in private higher education; by 2011-2012 this number had more than quadrupled to 1,002,828 representing an increase of over 320 % (see Appendix F). This means that 39.8 % of the total increase in higher education enrolment from 1990-1991 to 2011-2012 has

⁴³ The distinction between Higher Normal and other modalities of higher education is made here because all available data sources present this distinction. Apparently, higher education qualification in Education or Pedagogy is considered an integral part of national development policy and given special attention.

been in the private sector. Put another way; whereas the number of students enrolled in private higher education more than quadrupled, while public sector enrolment barely doubled over the same period (see Appendix F, Figure 6).

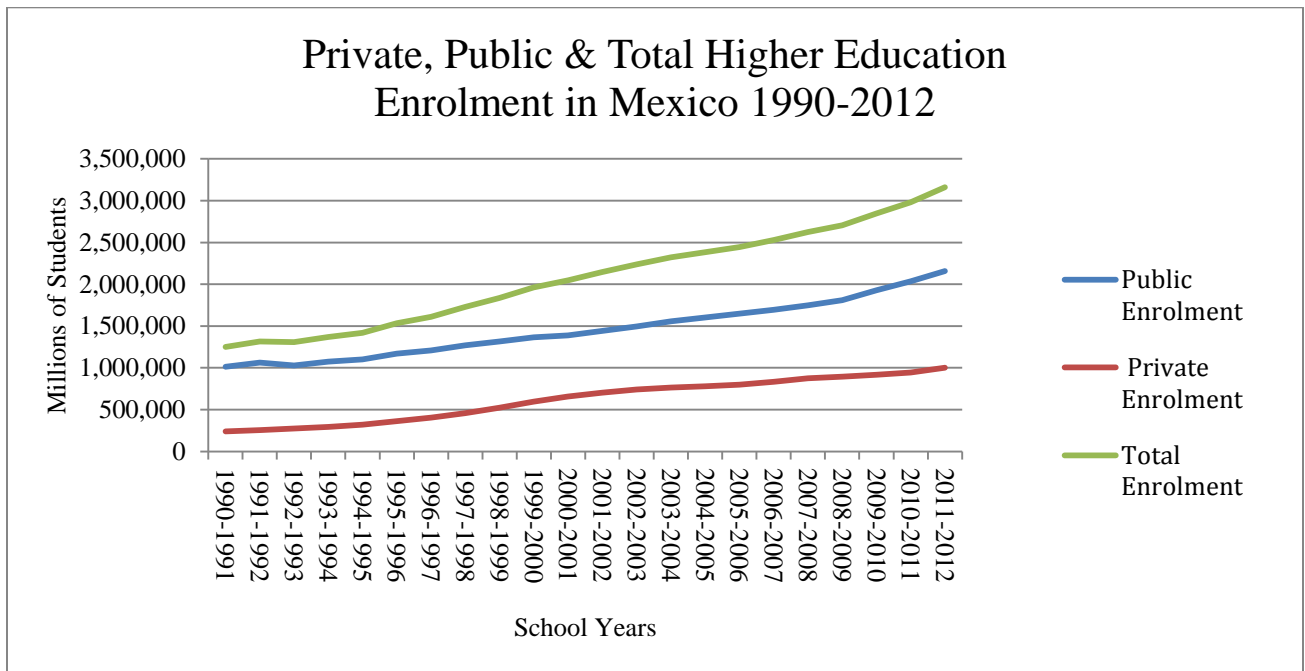


Figure 6: Private, Public & Total Higher Education Enrolment in Mexico 1990-2012

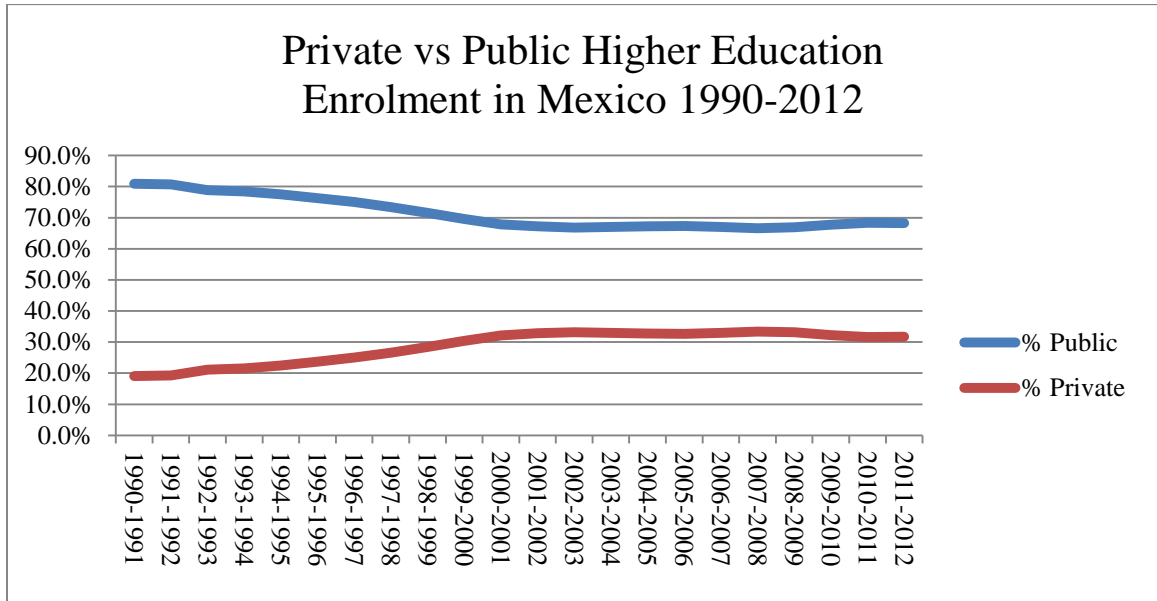


Figure 7: Private vs. Public Higher Education Enrolment in Mexico 1990-2012

The relatively low growth rates in public higher education enrolment vis-à-vis private enrolment are attributable to the policy of institutional diversification. The data shows that during the 1990s, the technological university sector was largely responsible for the expansion of public higher education. As a result of the creation of almost 100 new HEIs, enrolment in technological institutes and universities increased by more than 60%. However, growth in “traditional” public university enrolment remained virtually constant at less than 7% during the 1990s. In contrast, annual private enrolments rates were almost 10% with 140 new private universities being created. Growth in graduate level enrolment was even more extraordinary: enrolment increased 450% over the decade (Ordorika & Rodriguez-Gomez, 2011)

Regional Differentiation

As previously mentioned, the states of Jalisco, Nuevo Leon, Estado de Mexico, Puebla, Veracruz, Guanajuato and the Federal District are home to the largest populations of higher education students. Table 3 indicates that for school year 2002/3 these states collectively had 1,189,579 students representing approximately 54 % of total enrolment at the national level (SEP, 2003). Table 4 shows that for school year 2011-2012 combined enrolment in these states had increased by over 40 % to 1,667,152 representing approximately 48.75 % of total enrolment at the national level (SEP, 2012).

As the national capital, the Federal District is home to 5 of the 6 Federal Public Universities. Amongst these are the three major Federal Public universities: the National Autonomous University of Mexico (UNAM), the National Polytechnic Institute (IPN) and the Autonomous Metropolitan University (UAM). The size and scale of UNAM, which is home to 190,707 undergraduate and 26,878 postgraduate students (UNAM, 2013) dominates the Federal District’s educational sector. So preeminent is UNAM that together with its immediate metropolitan area, it is commonly referred to as “*Ciudad Universitaria*” (University City). In

fact, the expansion of this loosely defined area and its increasing autonomy has been the subject of political debate as well as legal tension over administrative rights and responsibilities. UNAM is the only Mexican university to produce Nobel laureates (in Chemistry, Literature and Peace) as well as 5 former Mexican Presidents and former Presidents of Costa Rica and Guatemala. UNAM's main campus is also a UNESCO World Heritage Site. Although public higher education clearly plays a dominant role in the Federal District, the importance of the private sector is considerable. Almost all of Mexico's most prestigious private universities are either based in the Federal District or have large campuses there. For 2011/12, private higher education enrolment in the Federal District totalled 162,758 (138,445 undergraduate and 22,605 postgraduate students) representing 33.6 % of total higher education enrolment in the Federal District. For the same period, public higher education enrolment in the Federal District totalled 322,142 representing 66.4 % of total higher education in the Federal District. As Figure 7 and Figure 8 indicate, the proportional distribution between private and public enrolment in higher education in the Federal District has remained relatively steady over the past decade.

Nuevo Leon is a northern state on the US-Mexico border that is home to three major players in the higher education sector: the Tecnológico de Monterrey System, the Universidad de Monterrey (UEM) and the Universidad Autónoma de Nuevo Leon (UANL). The Tecnológico de Monterrey System, formerly known as the Monterrey Institute of Technology and Higher Education, or simply Monterrey Institute of Technology, is private university that was established in 1943 as by local businessman Eugenio Garza and originally modelled after the Massachusetts Institute of Technology. It has since evolved into a university system composed of 4 institutions: Tecnológico de Monterrey, Universidad TecMilenio, Universidad TecVirtual and TecSalud. With 33 campuses across Mexico and online-distance education in 31 countries,

Tecnológico de Monterrey System is one of the largest private, non-sectarian and coeducational multi campus universities in all of Latin America (Sistema Tecnológico de Monterrey, 2011).

The Universidad de Monterrey is a private university of “Catholic inspiration” with over 12,000 students (UDEM, 2013). The other major higher education player in Nuevo Leon is the state public university; Universidad Autónoma de Nuevo Leon (UANL). Founded ten years prior to its private counterpart in 1933, UANL has seven campuses across Nuevo Leon with over 153,000 students (UANL, 2013). Private enrolment rates in higher education have remained consistent over the past decade, accounting for approximately 44 % of total higher education in the 2002-2003 and 2011-2012 school years (see Table 3, Table 4).

Guanajuato has seen its higher education rates increase by over 300 % since 1990 even while enrolment of the target age group remains relatively low. High levels of poverty and social inequality are juxtaposed to increasing industrialization resulting in consistently growing demand for higher education. As is typical of many ‘development’ strategies, urbanization and industrialization have been accompanied by generalized educational expansion. And as is also typical in such scenarios, it is the private sector that initially responded most to the increased demand for higher education as evidenced by their 61.5 % share of enrolments in 2002. However, public enrolment rebounded considerably and claimed 52.3 % by 2012 (see Figure 8, Figure 9).

Located in the south-central region, Estado de Mexico (Edomex)⁴⁴ encompasses the Federal District and is the most populous state as well as having the highest population density. The economic activity and industrial output of Edomex contribute almost 10 % of Mexico’s GDP. Edomex is home to one of the country’s largest and oldest public universities: The Universidad Autónoma del Estado de México (UAEM). This public university has a student

⁴⁴ The name Estado de Mexico (State of Mexico) is often abbreviated to Edomex to avoid confusion with Mexico (country name).

population of over 65,000 students, with its central campus located in the state capital of Toluca. Private higher education enrolment in Edomex increased by over 44 % just in the period from 2002-2012, compared to an increase in public higher education enrolment of 38% in the same period (see Table 3, Table 4).

Jalisco is an important state in terms of higher education in Mexico for several reasons. Its capital city, Guadalajara is home to the oldest private university in Mexico: Universidad Autónoma de Guadalajara (UAG). Established in 1935 by a group of students in opposition to the socialist educational policy of the government of that time, the university now has a student population of over 15,000 with some 2000 international students. The internationalization of UAG is particularly noteworthy because it has been focussed on attracting North American students to its medical school programs. In fact, UAG claims to have educated over 15,000 North American doctors since its foundation in 1935. Jalisco is also home to the Universidad de Guadalajara (UDG), which is the state public university system with 16 campuses. UDG is the second oldest university in Mexico, the fifth oldest in North America and the fourteenth oldest in Latin America. Its significance in Mexico may be quantified by its student population of 103,180 that is only exceeded by UNAM (Universidad de Guadalajara, 2013). Private enrolment rates in higher education have remained consistent over the past decade, accounting for approximately 41 % of total higher education in the 2002/3 and 2011/12 school years (see Table 3, Table 4). Outside of the Federal District, Jalisco, along with Puebla, has seen the greatest increase in the establishment of private HEIs over the past twenty years. There were 45 new HEIs established in Jalisco between 1990 and 2003 (Kent, 2007) and between 2002 and 2012 enrolment in private higher education increased by almost 27%.

Located in the East-central region, Puebla is home to the fourth largest public university system in Mexico: the Benemerita Universidad Autónoma de Puebla (BUAP). Established in 1587 (as Colegio del Espíritu Santo) BUAP is now home to over 70,000 students of which 3600 are enrolled in graduate level studies (BUAP, 2012). Outside of the Federal District, Puebla has experienced a tremendous increase in the number of private HEIs over the past two decades, surpassing even Jalisco. Notable amongst the state's private HEIs are: Universidad de Las Américas (UDLA); Universidad del Valle de México (UVM); Universidad Popular Autónoma del Estado de Puebla (UPAEP); and Universidad Anáhuac Puebla. There were 73 new private HEIs established in Puebla between 1990 and 2003 and between 2002 and 2012 enrolment in private higher education almost doubled at 49.8% (Kent, 2007) (see Tables 3 &4). In both Jalisco and Puebla, the higher education system had traditionally been dominated by the public sector. Yet, since the 1990s both states have become the two fastest growing regional markets for private higher education.

Veracruz is located in the East of Mexico along the coastline of the Gulf of Mexico. The Universidad Veracruzana is the state university system with multiple campuses serving an ethnically diverse population. Of the 228,000 students enrolled in higher education in Veracruz, almost 27% attend the Universidad Veracruzana with over 2000 at the graduate level (Universidad Veracruzana, 2013). The data indicates that although Veracruz has one the country's largest higher education student populations, the public sector continues to dominate. The data suggests that the absence, relative to other states, of a suitable consumer base (to purchase higher education products and services) is largely responsible for the low growth rate of private HEIs in Veracruz. This suggests that private sector higher education in Mexico is not

only demand absorbing but almost totally dependent on consumer purchasing power – just as in any other industry or marketplace.

Table 3: Higher Education Enrolment 2002/2003 (selected states)

Higher Education Enrolment 2002-2003			
State	Total	Private	Public
Distrito Federal	394,888	146,578	248,310

Estado de Mexico	202,350	77,970	124,380
Jalisco	149,189	61,395	87,794
Puebla	126,906	58,632	68,274
Nuevo Leon	129,453	57,708	71,745
Veracruz	112,340	39,014	73,326
Guanajuato	74,453	45,799	28,654
Totals	1,189,579	487,096	702,483

Source: (SEP, 2003)

Table 4: Higher Education Enrolment 2011/2012 (selected states)

Higher Education Enrolment 2011-2012			
State	Total	Private	Public
Distrito Federal	484,900	162,758	322,142
Estado de Mexico	339,994	140,125	199,869
Jalisco	205,686	83,691	121,995
Puebla	190,583	87,874	102,709
Nuevo Leon	173,978	76,713	97,265
Veracruz	166,556	46,560	119,996
Guanajuato	105,455	50,297	55,158
Totals	1,667,152	648,018	1,019,134

Source: (SEP, 2012)

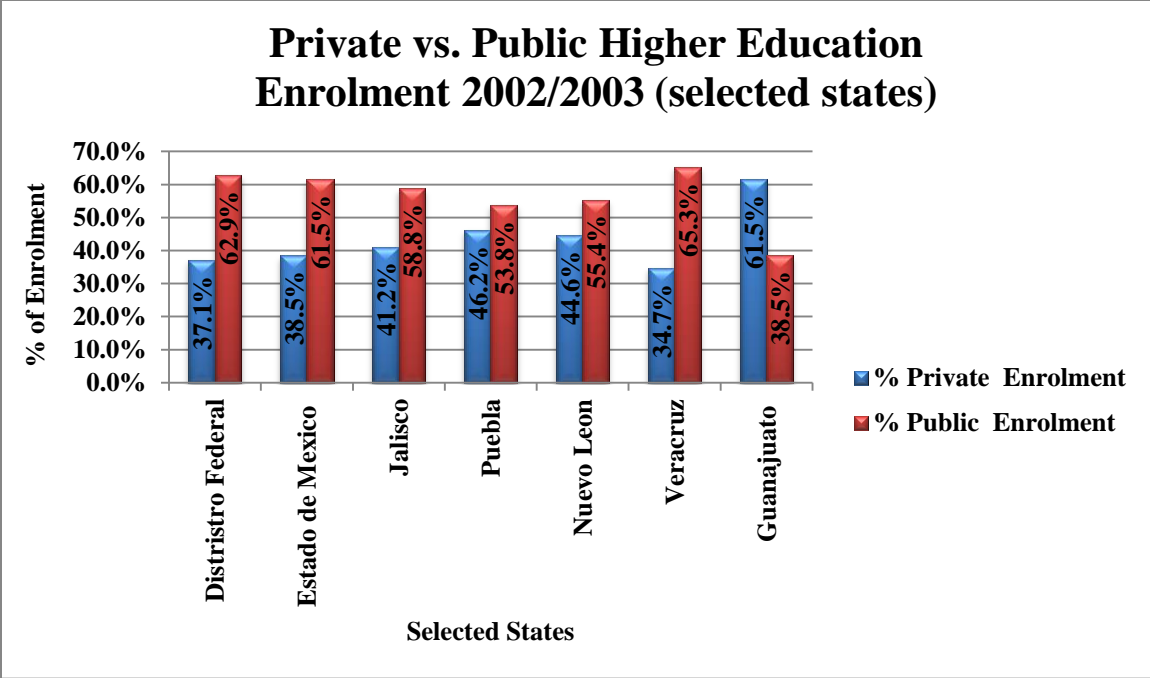


Figure 8: Private vs. Public Higher Education Enrolment 2002-2003 (selected states)

Source: (SEP, 2003)

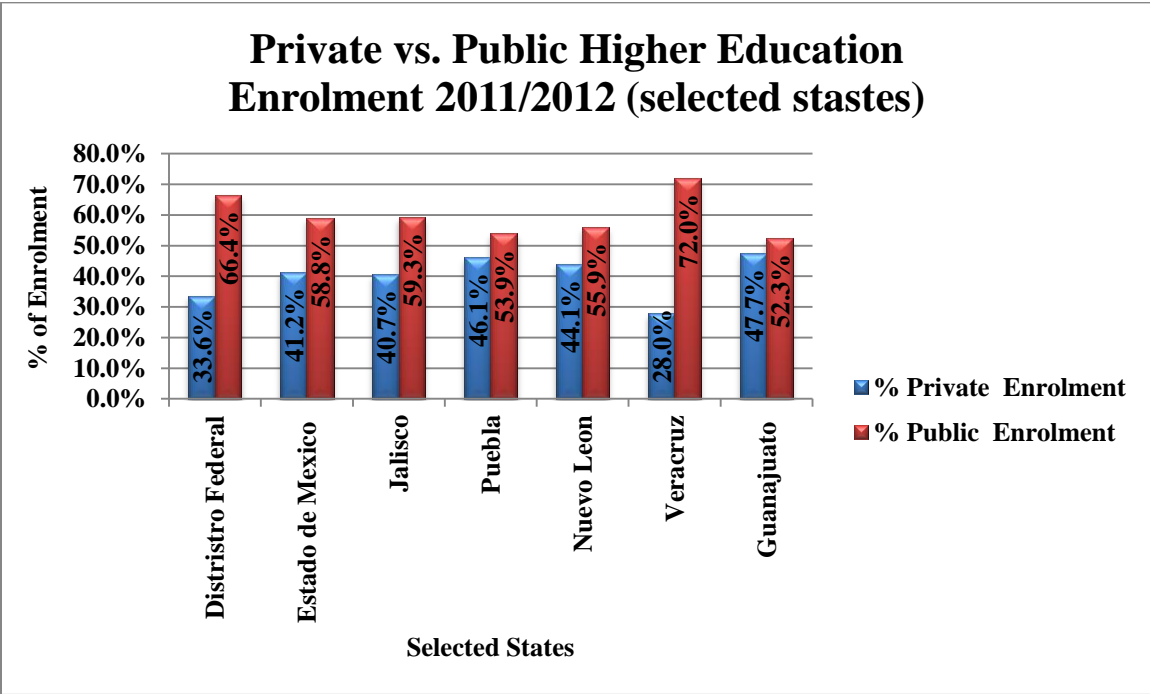


Figure 9: Private vs. Public Higher Education Enrolment 2011-2012 (selected states)

Source: (SEP, 2012)

Enrolment data summary

In summary, the data shows that during the 1990s, the technological university sector was largely responsible for the expansion of public higher education while private sector expansion of the various higher education modalities played a demand-absorbing role. The data demonstrates that private enrolments in higher education more than quadrupled between 1990 and 2012. The data also suggests that there is a strong correlation between economic activity, labour market demands (of the new economy) and the expansion of private higher education. The data indicates that the states with the highest levels of economic, political and demographic importance are also the states with the highest levels of growth and expansion of private higher education. The data also indicates that graduate level enrolment in private higher education has been particularly significant and that this is directly related to the new economy⁴⁵. This massive growth and expansion of private sector higher education enrolment must be understood within the institutional context of HEIs in Mexico. Thus, the proceeding sections of this chapter present relevant data on institutional autonomy, funding information and competition. This data is necessary to further contextualize the phenomenon of marketization of higher education in Mexico.

3.3.3 Institutional Autonomy and Funding

As previously mentioned⁴⁶, a “pure” market in student education would be comprised of legally autonomous institutions with little or no regulation of market entry. In the case of Mexico, the autonomy of HEIs may be discussed at several levels including: legal, political, financial-economic, administrative and sociocultural. The legal framework regulating the higher education

⁴⁵ The term “new economy” refers to the globalization of national and local economies.

⁴⁶ Please refer to section 2.6, “Marketized Higher Education”

system is comprised primarily of Article 3 and Article 31 of the Mexican constitution⁴⁷. There are presently only three ways of obtaining legal recognition for private education institutions in Mexico: (1) presidential decree; (2) incorporation; and (3) Official Recognition of the Validity of Studies (RVOE⁴⁸).

Presidential decree allows private institutions to operate as independent colleges (*escuelas libres*). This method was originally intended to satisfy professional associations that wanted to establish HEIs and was subsequently extended to other private universities with acceptable academic standards (Ordorika & Rodriguez-Gomez, 2011). Incorporation (*incorporación de estudios*) allows private HEIs to formally register their graduate and postgraduate programs with certain public universities. The private HEIs are concurrently obligated to satisfying program requirements as well as various measures of supervision and control that the public university stipulates.

Incorporation was previously used by public universities to protect private institutions that were ideologically opposed to the educational policies of the post-revolutionary governments. After the state and the private sector resolved their differences, the incorporation mechanism remained. Today, incorporation helps private universities to “strengthen their academic standing via linkage with a higher quality or more prestigious public university” (Ordorika & Rodriguez-Gomez, 2011). Both of these mechanisms were designed primarily with public HEIs in mind, as it was public HEIs that dominated the MHES at that time. Until the late 1930s, ‘presidential decree’ and ‘incorporation’ were the only mechanisms by which HEIs could have their academic programs legally recognized in Mexico. However, by the late 1930s, privatized HEIs had begun to emerge as credible alternatives to State/public HEIs. Thus, the

⁴⁷ Please refer to Appendix E

⁴⁸ Reconocimiento de Validez Oficial de Estudios (RVOE); official legal federal & OR state level recognition of validity of a program of study.

Organic Law of Education (1939) authorized the SEP to grant or deny formal recognition to private HEIs as well as to supervise their performance. In 1942 the Organic Law of Education was revised to give the SEP responsibility for the coordination of all administrative and academic activities within the SEN⁴⁹.

Fast-forward thirty years to the second stage of the evolution of the modern MHES (i.e. highly accelerated expansion from 1970-1982), and there was suddenly a very serious need for regulatory oversight of private sector higher education. Private HEIs were no longer opting to have their programs legally recognized via incorporation in order to avoid the administrative requirements that public universities would demand. This period of highly accelerated expansion also coincided with the creation of FIMPES⁵⁰. FIMPES represented private sector interests during the legislative discussions on new RVOE procedures. Within the context of administrative decentralization of the 1990s, FIMPES successfully negotiated an agreement with SEP that dramatically simplified the requirements for obtaining an RVOE. FIMPES in turn reorganized its own internal accreditation system to align with SEP's standards. Thus, HEIs that were accredited by FIMPES would receive RVOEs for their academic programs almost automatically.

It is important to note that RVOEs may be issued at the federal level by SEP or at the state level by the corresponding education authority. Also, RVOEs are program specific. This means that within a single HEI, there may be some academic programs that are formally/legally recognized while many others are not. The importance of an RVOE becomes more apparent when we consider the process for granting/awarding a university degree in Mexico. Article 18 of the Law for the Coordination of Higher Education (1978), *Ley para la Coordinación de la*

⁴⁹ Spanish language acronym: Sistema Educativo Nacional (SEN)

⁵⁰ Federation of Private Mexican Institutions of Higher Education / *Federación de Instituciones Mexicanas Particulares de Educación Superior (FIMPES)*

Educación Superior, outlines the requirements that private HEIs must meet with respect to granting academic degrees.

“The academic certificates, diplomas and degrees issued by private HEIs with respect to authorized or recognized programs of study require authentication by the authority that has given such authorization or recognition or, according to the case, by the public agency that has given the recognition.”

- Article 18 of the Law for the Coordination of Higher Education (1978)

What this means is that there is a multiple-step process that private HEIs must comply with in order to issue/grant/award academic certificates, diplomas or degrees. Such institutions must first obtain operating licences from the appropriate education authority; then obtain legal official recognition of their programs of study; and finally they must have the actual certificate, diploma or degree authenticated by that same education authority. For the student attempting to obtain a certificate, diploma or degree from a private HEI, this implies navigating a process commonly referred to as ‘*titulación universitaria*’ or ‘*titulación académica*’.

This process involves successful completion of a program of study with RVOE; submitting copious amounts of administrative paperwork and photographs; and, perhaps most importantly, paying anywhere from 5000 to 15,000 Mexican Pesos (approximately 500 to 1500 US). Once these fees are paid (to the HEI) a numbered file for each individual student in the graduating class is forwarded to the relevant education authority, along with the actual degree parchment, for verification and authentication. Thus, after a student has successfully completed the requirements for graduation from a Mexican HEI, and even attended her graduation ceremony, she typically has to wait several months⁵¹ to receive her degree parchment and professional identity card (*Cédula Profesional*). Without the *Cédula Profesional* most graduates

⁵¹ Wait times for ‘*titulación*’ processing depend on the volume of files that the educational authority has to process and its processing capacity; times vary from 6 months to 1 year for Mexican nationals and 4 to 6 months for international students.

will encounter great hardship when trying to get employment. For graduates from traditional professions, such as lawyers, doctors, engineers or nurses, it is impossible to be employed without a *Cédula Profesional*, as it is a compulsory legal requirement for professional registration and practice.

On the face of it, this highly bureaucratic system would appear to be a severe hindrance to institutional autonomy. However, in practical application these layers of bureaucracy have in fact helped many private HEIs to generate even more profits by charging exorbitant fees for ‘*titulación*’ services. Thus, ‘*titulación*’ has become an integral part of revenue generation for many Mexican HEIs, with some HEIs charging more for ‘express processing’. This leads us to the issue of funding vis-à-vis its role in private sector higher education in Mexico.

At the federal/national level, Section 3 of the General Law on Education (i.e. Articles 25-28) regulates the financing of public education in Mexico (SEP, 2010). Article 25 in particular stipulates that the minimum expenditure on education at the national level shall not be less than 8% of the GDP. Further, expenditure on technological development and scientific research in public HEIs shall not be less than at least 1% of GDP.

Article 28 of the General Law on Education also clearly indicates that all expenditure on education (irrespectively of source) is regarded as a contribution to the public good:

“All investments in education by the State and its agencies as well as private entities are for the public good”

-Article 28, General Law on Education

While the categorization of State expenditure on education as being ‘for the public good’ is patently understandable, extending this categorization to all private entities is much less so especially when the term ‘private entities’ encompasses for-profit HEIs. What the wording of this legislation expresses is the intensely entrenched and constitutionally enshrined value of

education (at all levels) for Latin American societies. In the case of Mexico, the wording of Article 3 of the constitution establishes the prima facie notion that private institutions will operate for the ‘public good’. However, neither the constitutional, general or regulatory laws establish operating guidelines to ensure this. Moreover, the law makes no specific or meaningful distinction between for-profit and not-for-profit institutions with regards to the expectation of them working towards the public good. This has left the door wide open for private HEIs to operate with minimal transparency about their corporate nature.

Private HEIs in Mexico cover the cost of teaching entirely through fees and there are no legal restrictions or State oversight on tuition fees, increases in tuition fees or the number of students enrolled. Students (and their families) are responsible for paying tuition fees completely from their own resources. As per ‘free market’ rules, prices are set according to ‘what the market will bear’. This situation may be aptly described as ‘operative deregulation’ (Kent, 2007). This situation of operative deregulation has facilitated the continued growth of a fiercely competitive market for higher education products and services in Mexico. A spin-off of this ultra-competitive higher education market is the hitherto unimaginable levels of marketing. The importance of marketing vis-à-vis acquiring and maintaining a competitive advantage is impossible to overstate.

3.3.4 Institutional Information and Competition

An essential facet of ‘free market’ economic models is the notion that consumers have full access to all relevant information about a given product or service. In the case of a ‘pure market’ in student education, this would entail deciding what, where and how to study on the basis of valid, reliable and accessible information about the price, quality and availability of relevant subjects, programmes and providers (Molesworth, 2011). Within the MHES such

information for public universities is readily available through the website of the SEP or the university itself (Subsecretaria de Educacion Superior, 2013). Such information is also readily available for private HEIs through FIMPES or the universities themselves. In the case of FIMPES, this information can be accessed on its website, Facebook page or its Twitter feed. FIMPES also produces a quarterly publication called FIMPES Gazette that covers a wide range of topics related to higher education in Mexico.

Internet searches conducted during the data collection stage of this thesis revealed that virtually all private HEIs in Mexico have a YouTube channel, Facebook page and Twitter feed; all of which are actively used to promote their education services and products. Statistical data about expenditure on marketing activities by private HEIs is exceedingly difficult to ascertain. This is partially due to the fact that many private HEIs are legally constituted as ‘private corporations’ and thus not required to publicly divulge their accounting records. Nevertheless, the increased presence of publicity/marketing/advertising campaigns over the past ten years is very tangible. Private HEIs in Mexico now have marketing materials strategically placed virtually everywhere: on subway trains; on the sides of public transit vehicles; on larger than life billboards; on bus shelters and via traditional mediums such as Television and Radio. Private HEIs have also established ad-campaigns tie-in projects with various other private sector businesses such automobile dealers, banks, fast-food restaurant chains, hotels, tour buses, car rental agencies and amusement/theme parks.

Such relationships usually involve the granting of special student discount rates on various products and services. The expansive coverage of these marketing campaigns serves to highlight the link between perceived quality (control) and market presence. The basic notion is that the greater the market presence of a given private HEI the more likely it is to be of a higher

quality. Orthodox market theories dictate that suppliers that do not provide suitable goods will go out of business, thus many students have a sense of safety in choosing private HEIs with extensive marketing coverage; if the HEI can afford such expansive marketing campaigns it must be doing something right to attract students and their money.

During the data collection process, it became apparent that there is no problem with access to information, but rather the issue was about analytically useful information. While many private HEI websites emphasize their accreditations and agreements with foreign universities, such information is of little value to the average prospective undergraduate student who does not understand or know what these accreditations mean or, perhaps more importantly, how they are earned. Analytically useful information such as explaining the accreditation process or providing statistical data on the employment status of recent graduates is provided by very few private HEIs in Mexico. Instead, there tends to be a tacit reliance on ‘prestige and status’.

Private HEIs in Mexico rely increasingly on leveraging the relationship between ‘prestige and status’ and ‘student consumer choices’ within the higher education market. According to statistical data from SEP, for the 2011/12 school year there were 4894 higher education institutions of which 2864 were private and 2030 were public, representing 58.5 and 41.5 % respectively (SEP, 2012). For comparison, there are only 1600 private universities and colleges in the United States according to the National Association of Independent Colleges and Universities (NAICU, 2013). This is a staggering statistic when we consider that the U.S. population is almost three times that of Mexico. With this statistic in mind we can better understand the ultra-competitive nature of the Mexican higher education market. Thus, the ability of private HEIs to leverage perceived prestige/status into increased enrolment numbers

has become an exceedingly important component within a highly marketized higher education sector.

3.3.5 Summary

This chapter has presented relevant data on the status of the Mexican higher education system (MHES) over the past thirty years based on the stated research methodology. Data was presented on the key areas of: higher education policy transformation, enrolment trends, institutional autonomy and funding; and institutional information and competition. The data clearly indicates a systematic policy shift away from adequate financial support for public higher education to ‘benign neglect’ that opened the door to ‘operative deregulation’ of privatized higher education. As a result, the number of students enrolled in private higher education more than quadrupled from 238,533 in 1990 to 1,002,828 in 2012 representing an increase of over 320 %.

The subsequent chapter will present a discussion of these findings within the theoretical framework of the reviewed literature on higher education and Latin American development. This discussion will be simultaneously referenced to the research questions (presented in chapter 3) and the thesis statement (presented in chapter 1).

Chapter IV: Data Analysis and Discussion

4.1 Major Data Trends

The research data presented in chapter 3 indicates some major trends or patterns that may be subsequently disaggregated into finer points of discussion and analysis:

1. Massification of Mexican Higher Education
2. Dramatic increase in demand for HE services and products in new economy
3. Greater private sector presence in MHES
4. Growth at postgraduate level
5. Change in composition of enrolment in public HE
6. Shift towards gender parity in undergraduate enrolment
7. Decentralization of supply of higher education offerings
8. Proliferation of 'degree mill' institutions (inadequate quality control)
9. Systemic institutional incapacity in MHES

Historically, the countries of the Global North had the benefit of citizens who were products of their State-supported higher education system, during various stages of their developmental journey. Yet, the prescriptive policy recommendations of the IDR insist on depriving the Global South of similarly benefits. If we return to the notion of “kicking away the ladder” (Chang, 2002) much of this can be better contextualized. Chang’s notion of “kicking away the ladder” is taken from the work of nineteenth century German economist Friedrich List: “developed countries did not get where they are now through the policies and institutions that they recommend to developing countries today” (Chang, 2002, p. 2). The neoliberal push by the IDR to emphasize basic (i.e. primary and secondary) education can be viewed as “kicking away

the ladder” on a basic or superficial level as well as a more in-depth level (that will be addressed later in this chapter).

4.1.1 Massification

The data set in Figure 6 presents a graphic illustration of the exponential growth of the MHES. Enrolment more than doubled with an increase of 152% representing an additional 1.9 million students over the period 1990 to 2012. The data in Figure 6, Figure 7 and Appendix F indicates that the MHES has experienced what education experts refer to as a process of massification⁵².

As a component sub-process within marketization, massification of higher education is very significant and is directly related to all of the majors trends mentioned at the start of this chapter. More specifically, private enrolment, within higher education as a whole, more than quadrupled while public sector enrolment barely doubled over the same period (see Appendix F and Figure 7). This is very significant as it highlights the intensely marketized nature of the massification process.

Interestingly, this massification process also represents a paradoxical relationship between overall growth in the MHES and concurrent systematic institutional incapacity: enormous quantitative growth (i.e. enrolment increase) has accompanied equally astounding qualitative degradation. The issue of quality will be further examined in a proceeding section of this chapter, but we must now examine the increased demand for higher education services and products.

⁵² The “massification” of higher education refers to the exponential increase in student enrolment and the number of institutions of higher learning. For a comprehensive review of this concept refer to: Teichler, 1998; Enders and Fulton, 2002; Guri-Rosenblit, Sebkova &Teichler, 2007.

4.1.2 Increased demand for HE in new economy

The trend of dramatic increase in demand for higher education services and products is simultaneously symptomatic of massification and indicative of marketization. The intensely competitive labour markets of the new economy demand workers with specific training and skill sets that are nominally provided by higher education institutions.

Higher education credentials are often viewed as a key enabling factor in socioeconomic mobility and security, thus represent market employment advantages in the new economy⁵³. For the person seeking a competitive edge in this new economy, having the required academic credentials (i.e. diplomas, degrees, certificates etc.) is critical. Thus, massification has enabled credentialism and creeping-credentialization to become hallmarks of many societies in the Global South as part of the marketization process.

The organization and supply of higher education along market lines (i.e. marketization) implicitly requires an expansion of the consumer base (i.e. students) and proliferation of vendors (i.e. institutions). It can therefore be argued that a connection exists between the well-established market ideology of ever-increasing expansion (i.e. bigger businesses and bigger profit margins) and the massification of higher education, as a component sub-process within marketization.

4.1.3 Private sector presence in MHES

The argument could be made that State-supported higher education is not the only form of advanced education capable of producing highly skilled and trained professionals since private

⁵³ See Brown, 2010; Brown, 2011; Peters, 2007; Rhoads & Torres, 2006; Slaughter & Rhoades, 2004, Albornoz, 1993; Levy, 1986.

institutions of higher learning have been doing the same thing for a very long time. This is certainly correct. However, what distinguishes the present phenomenon of marketization from previous forms of privatization is the extreme level of neoliberal free-market orientation.

Let us revisit Brown's (2010, p.17) definition of Marketization: "the organization of the supply of higher education 'services' on market lines" (Brown R., 2010, p. 17). Moreover, Marketization has also been defined as "...a set of transformations in which the underlying purpose is to ensure that market relations determine the orientation of development policies, institutions, university programs and research projects" (Ordorika & Rodriguez-Gomez, 2011, p. 220).

As mentioned in chapter 3, there was a 25% reduction in public higher education funding between 1981 and 1989 (Kent, 1993, p. 78) and the 1989-1994 Educational Modernization Program was based on the recommendations of a private actor in higher education – ANUIES. This resulted in a de facto policy of private HEIs occupying a demand-absorbing role. This de facto policy shift coincides with the massive expansion of enrolment rates for private HEIs that are illustrated in Figure 6 and Figure 7, beginning around 1990. When the above-mentioned definitions of Marketization are taken together and applied to the case of Mexico specifically, and Latin America generally, this data is clearly indicative of an active ongoing process of marketization.

In the above-mentioned definitions of Marketization, particular mention is made of supplying education services along market lines as well as ensuring that market relations determine the orientation of development policies. Close examination of the higher education policy shift that took place in Mexico starting in the 1980s reveals that market relations,

neoliberal free-market relations to be precise, determined the orientation of higher education policy, which is an integral component of national development policy. Remember, this policy shift was marked by fiscal austerity, reducing bureaucracies and institutional downsizing (Ordorika & Rodriguez-Gomez, 2011).

The result of these policies, as the 25% reduction in public higher education funding between 1981 and 1989 (Kent, 1993, p. 78) shows, was a systematic policy shift away from adequate financial support for public higher education to ‘benign neglect’ that opened the door to ‘operative deregulation’ of privatized higher education. But not just any form of privatized higher education. In the absence of a robust regulatory framework, there has been a proliferation of private HEIs of alarmingly dubious quality. And yet, a counter argument could be made that population growth amongst the target entry age group (i.e. 18 to 21 year olds) was largely responsible for increased demand for higher education. While the statistical data (INEGI, 2012) verifies that there was in fact marked growth in this target entry age group, the population argument is incapable of explaining why these young adults enrolled in higher education. That is to say, such data demands socioeconomic contextualization.

4.1.4 Public policy and enrolment composition

The above-mentioned radical public policy changes directly impacted enrolment trends amongst this target entry age group. There have been two major periods of private expansion with concurrent changes in composition of enrolment. The first of these occurred from 1970 to 1982. This first expansionary period has been described as “elite flight” from politicization in public universities (Levy, 1986). This characterization refers to the fact that those students came

from so called middle and upper income families with considerable financial wherewithal.

In stark contrast, the second expansionary period from 1990 onwards has involved students from lower-income non-elite social strata. This change in enrolment composition towards students from low-income families has had at least one positive outcome: the inclusion of women into the higher education system on a hitherto unknown scale (INEGI, 2012).

Undergraduate enrolment rates for women have increased to the extent that gender parity has been achieved in some fields of study and women even dominate the enrolment patterns of other areas of study (SEP, 2003; SEP, 2012; INEGI, 2012). It can be argued that the increased undergraduate enrolment rates amongst women is indicative of a successful social policy aimed at providing equitable access to higher education for women. It could also be argued that within the context of the new economy, more and more Mexican women are choosing (or being forced) to pursue careers that require higher education.

I view the increased rates of participation by women in the MHES as a trend with greater positive impact than negative, especially considering the well-documented benefits of higher educational attainment for potential mothers and their children. However, as the massification trend intensified the issue of quality (control) emerged as a serious problem.

4.1.5 Quality control

The emergence of issues of quality is unsurprising, particularly when preference is given to supplying education services along market lines as well as ensuring that market relations determine the orientation of development policies. What this means is that, within the context of operative deregulation, private enterprise has sought to capitalize on the social demands for

higher education.

Since the prevailing trend is towards employment creation in the service sector, the increased demand for HE related to this sector is logical and expected. What is also logical and should have been anticipated was the market approach to supplying such HE. In simple terms; if there is a demand for university level qualifications, in a “free market” astute entrepreneurs will supply demanding customers with such qualifications. And this will likely be done in the most cost efficient way possible. In terms of HE, cost efficiency almost always translates into low quality education.

The trend towards proliferation of low-quality low-cost institutions, often called “degree mills” is reaching epic proportions in Mexico (IESALC, 2008; Ordorika, 2004; Ordorika & Rodriguez-Gomez, 2011). These low-cost institutions have been labelled “demand absorbing” (Levy, 1986). Roberto Rodriguez Gomez, a researcher at UNAM, says that these institutions have also been despairingly referred to as "patito"(little duck), a derogatory nickname referring to the allegedly substandard quality of instruction⁵⁴. I argue that such institutions are not only demand absorbing, but also predatory in nature.

I use the term ‘predatory’ precisely because such for-profit enterprises offering educational products and services are preying on students from low-income families. Most of these students (and their families) are desperate to participate in the new economy and view a higher education credential as an entry ticket into a fiercely competitive labour market.

Unable to afford ‘higher-quality’ prestigious private universities, unable to access the best public institutions and fearful of underfunded public universities, these students enter low-cost demand absorbing institutions (Levy, 1986). This overabundance of predatory businesses

⁵⁴ <https://knowledge.wharton.upenn.edu/article/will-for-profit-universities-solve-the-access-problem-in-mexican-higher-education/>

operating under the façade of an ‘institution of higher learning’ can be understood as responding to demand that the public HEIs have been unable to satisfy as well as taking advantage of the policy of operative deregulation.

Yet, it is not just students in these marketized HEIs that suffer the ill effects of low quality education. Because of the shift away from public to private HEIs, public HEIs have become progressively poorly attended and thus equally underfunded in many regions of the country. This is especially so where traditionally strong public universities have lost their “prestige and status”, i.e. their reputation for quality.

Many public universities (and other public HEIs) are now facing issues with retention of qualified instructors and professors. It can be argued that marketized HEIs are attracting the best professors and instructors with better compensation packages. Anecdotal evidence⁵⁵ also suggests that some professors and instructors see employment in marketized HEIs as preferable to working in a public HEI where they will be identified as part of a “broken system”. Thus, the presence of marketized HEIs is having an ongoing negative impact on public HEIs. It is also interesting to note the parallels between neoliberal capitalism and marketized HEIs in terms of their failure to deliver on promises of positive contribution to development.

The trickle-down effect of neoliberal capitalism has failed to materialize and left millions of people mired in conditions of economic poverty and social injustice. Similarly, the marketized HEIs that promised to provide millions of young Mexicans access to affordable quality higher education have instead fostered the creation a commoditized, market-driven credentialing system focused on profit making. The question that arises is how and why were public HEIs unable to meet this demand for higher education. However, it would be disingenuous not to mention the effects of economic and financial crisis.

⁵⁵ Based on informal conversations with former Professors, Instructors and students of various private Mexican HEIs.

4.1.6 Institutional incapacity

It is undeniable that economic and financial crises placed significant budgetary constraints upon Latin American countries generally and Mexico specifically. And it is equally undeniable that economic and financial adversity can also serve as an unrivalled impetus for creativity and ingenuity in crafting responses to such severe challenges. The question must then be asked: was the crisis of 1982 solely to blame for State disinvestment, i.e. benign neglect, of public higher education? It has been my contestation throughout this thesis that tacit acquiescence to neoliberal socioeconomic policy prescriptions demanding rationalization of budgetary allocations and competitive engagement with the global economy played a greater role. Moreover, the reactionary nature of public policy with regards to higher education is patent considering the disconnection between demographic data and policy objectives.

Mexican policy makers have always had at their disposal vast amounts of information about expected population growth in the target entry age group for higher education entry. Both the Secretariat of Public Education (SEP) and the National Institute of Statistics, Geography and Informatics (INEGI) regularly collect such information and produce related reports that are available to the public. Similarly copious data has been readily available about the increasing enrolment in and successful completion of secondary education (INEGI, 2012; SEP, 2012). Together these factors should have alerted policy decision makers to the coming surge in demand for higher education, especially in the context of the new economy and its labour market demands.

Public policy on higher education in Mexico has been devoid of any meaningful proactivity and as a result the country remains in a quagmire of economic inequality, poverty and social injustice at alarmingly high incidences amongst the most vulnerable social groups. Higher

education and higher education institutions have the potential to dramatically and permanently improve this situation. Instead, marketization is simultaneously inducting increasing numbers of students into low-quality private institutions and exerting more pressure on incapacitated public HEIs.

4.2 Socioeconomic reform, social institutions and global trade

4.2.1 Globalized trade and social institutions

The restructuring of the MHES that resulted from privatization and marketization must be examined within the broader context of the restructuring of the Mexican economy. The profound economic (and political) changes of the 1980s and 1990s transformed higher education in an equally profound manner.

Various data sources indicate that in the decade following the signing of NAFTA in 1993, the Mexican economy experienced radical liberalization and privatization: trilateral trade (between Mexico, Canada and the U.S.A.) increased by more than 70%; the financial services sector was restricted via transnational alliances; maquiladora industry exports increased over 130% with a corresponding rise in employment of over 80% (Ordorika & Rodriguez-Gomez, 2011; Kent, 1993; Kent, 2007).

NAFTA, more than any other FTA, has intensified the labour market demand for higher education graduates in the new economy that is increasingly dominated by service sector growth. It can be argued that such radical macroeconomic restructuring must be supported by equally radical institutional restructuring. This is because institutions, whether social, political or economic, are required to underpin and sustain the new economy on a long-term basis.

Institutions represent the underlying framework of incentives that shape the interactions of individuals and organizations in both politics and economics (North, 1996). According to

North:

“Institutional change is a complicated process because the changes at the margin can be a consequence of changes in rules, in formal constraints, and in kinds and effectiveness of enforcement. Moreover, institutions typically change incrementally rather than in discontinuous fashion...Although formal rules typically change overnight as the result of political or judicial decisions, informal constraints embodied in customs, traditions and codes of conduct are much more impervious to deliberate policies” (North, 1996, p. 6)

HEIs generally, and universities particularly, are primordial social institutions. Higher Education is therefore a social phenomenon. Yet many, if not all of the attributes and dimensions of higher education are immeasurable. Unlike natural science phenomena whose quality and value may be readily ascertained through quantitative analysis, social phenomena are a matter of opinion and intellectual contestation requiring qualitative analysis. Thus the very nature of higher education is at odds with the economic nature of capitalist free market ideologies that demand quantification of value. It is perhaps this dilemma that has facilitated the insidious attack on primordial social institutions and phenomena such as universities and higher education.

Public higher education institutions, much like all other social institutions, have come under intense pressure to justify their funding through public sources and at times even their very existence. The prevailing socioeconomic climate of globalized free trade portrays publicly funded social institutions such as universities as relics from a decaying era of inefficiency and wastefulness.

When the NAFTA was signed and ratified in 1993, the formal rules governing the relationship between the State, the public university and Mexican citizens changed almost

instantaneously. Yet, the actual impact would be felt progressively over the ensuing two decades. This was because entrance into NAFTA would radically alter how higher education and its provision (whether publicly or privately) would be considered: like any other service or good that is traded in international markets. Entrance into NAFTA, which represented the beginning of intensive insertion into globalized trade, would compel the creation of "...new rules of supervision, control and quality assurance and a discourse of quality and competitiveness that is ideologically compatible with the privatization project and with the ambitions of private institutions..." (Ordorika & Rodriguez-Gomez, 2011). Although all this change was occurring at the supranational level, there was virtually no change at the institutional level. As North (1996) mentions "...although formal rules typically change overnight as the result of political or judicial decisions, informal constraints embodied in customs, traditions and codes of conduct are much more impervious to deliberate policies...". This is significant because institutional capacity is fundamentally important in order to implement change.

It can be argued that Mexico was unprepared to face the macroeconomic challenges that NAFTA brought. Similarly, the argument can be made that public universities, as social institutions, were concurrently unprepared, incapable or unwilling to adapt to changes that the new economy demanded. This is significant because it highlights the fact that, as social institutions, public universities in Mexico had become steadily disconnected from the societies in which they are situated.

This disconnection expressed itself in the inability to forecast the growth in demand for higher education that would emerge amongst the lower income sectors of society. The disconnect also highlights the criticism that many public universities exist in a type of social insulation. As North (1996) mentions "...informal constraints embodied in customs, traditions and codes of conduct are much more impervious to

deliberate policies” and “...institutions typically change incrementally rather than in discontinuous fashion...”. Brining about substantive change within the public university system, as an institutional social system, was never going to be a simple task. Yet we must not conflate the need for adaptive capacity with the notion that embracing every request for change is necessarily beneficial. What this means is that while it is important that social institutions such as public universities be capable of changing, such requests for change must be judiciously and comprehensively considered prior to taking (or not taking) any action. Notwithstanding, the much criticized notion of public universities as isolated “ivory towers” containing intellectuals (both students and professors), it is perhaps this very isolation that affords public universities the ability to function as protected spaces – public spheres – and fulfill their essential role as local and global public goods.

4.2.2 Higher education – local or global public good?

The notion of higher education as a simultaneously local and global public good presents a complex dilemma requiring reasoned consideration. As mentioned earlier (section 2.2.1) public goods can be categorized as being local or global based on geographic location. Since the benefits of knowledge production are unrestricted by geographic boundaries, the term ‘global public goods’ is aptly utilized. Thus, new ideas or theories about social cohesion, democracy, political participation, culture, or economic productivity that are produced in Mexican universities can potentially benefit other societies around the globe.

Nevertheless, as some authors have mentioned, the countries of the Global South should be circumspect of a wholesale adoption of this notion of higher education as a “global public good”. According to Jose Dias Sobrinho, “Accepting education as a “global” public good, without considering national realities and commitments, especially those of non-industrialized

countries, means opening all doors to the consolidation of a global system of higher education that only interests the developed countries” (IESALC, 2008, p. 86). Sobrinho goes on to mention the two major consequences of wholesale acceptance of higher education as global public good:

“This would have two consequences for our countries: opening them up to the physical and virtual invasion of transnational institutions, always of dubious quality and without a commitment to the objectives and demands of the society in which these institutions insert themselves primarily as for-profit institutions; and pressure for creating a global and uniform model of Higher Education, with homogeneous criteria and global mechanisms of assessment and accreditation. This is a real threat, in view of the advance of agreements of multi-lateral agencies, especially the WTO, to officially and globally define education as a negotiable service...” (IESALC, 2008, p. 86)

Therefore, the incorporation of higher education as a global public good in Mexico (and Latin America more broadly) must be done with extreme caution. All stakeholders within Latin America need to be cognizant of the fact that concepts such as global public goods may have very different meanings outside of the region. A Mexican professor may argue in defense of publicly subsidized knowledge production as a public good providing benefit both locally and globally.

A representative of the WTO may argue that it is precisely because knowledge production in Mexico is a ‘global public good’ its creation, dissemination and the related intellectual property rights should be regulated globally (i.e. by exogenous supranational organizations or agencies). Both parties agree that higher education is a global public good, yet they argue for diametrically opposed policies and actions vis-à-vis higher education. If we then return to the notion of HEIs generally and universities particularly as local public goods, we find another issue related to their erosion that merits some consideration: a generalized trend towards uncertainty in public social development policy.

4.2.3 Discontinuity in public social policy

This trend of uncertainty in public social development policy can be directly linked to the long-standing policy of non-re-election of an incumbent President. Every six years there is a new presidential administration with corresponding changes in the Cabinet and thus leadership of the various Executive Secretariats. More often than not, this also translates into policy change instead of policy continuity. While it could be argued that continuing failed policy agendas is undesirable, an even stronger argument can be made for the continuation and strengthening of successful public social policy. The ability to design and effectively implement strategic planning (i.e. long term planning) is a key element in favour of policy continuity. Unfortunately, in Mexico the exact opposite has happened for successive presidential administrations. Officials in the Secretariat of Public Education are therefore unable to generate and implement long term plans for higher education in Mexico. Key government officials are often shuffled around only to exercise the ‘political muscle’ of the newly elected President. The recent move of Dr. Rodolfo Tuirán from the position of Secretary of the Department of Higher Education to Secretary of the Department of Upper-Secondary Education is an excellent example of this. Dr. Tuirán was generally viewed as having made laudable efforts/progress in enhancing/improving the condition of HE in Mexico. This discontinuity in public social policy is, in my estimation, a major contributing factor to what has now become systemic structural and institutional incapacity within the MHES.

4.2.4 Eradication of critical thinking and analysis

Earlier in this section I mentioned the role of higher education in supplying highly skilled/trained/educated professionals. I also referred to the unrelenting drive of the IDR to impose a basic education focus on countries of the Global South as a surface level ‘kicking away

of the ladder'. I now make mention of the more profound level of 'kicking away the ladder'; eradication of critical thinking and analysis on a national scale.

As marketization intensifies in private HEIS and continues to attract/absorb more students into low-cost low-quality HEIs, Mexico is witnessing the erosion of its educated citizenry. As more and more desperate young Mexicans respond to the labour market demands of the new economy, degree programs related to the arts, humanities, education, sciences, agriculture as well as health and social welfare have become less and less popular choices (IESALC, 2008).

It would appear that there are two concomitant factors responsible for this: 1) these degree programs are decreasingly offered by private HEIs and 2) student demand is dramatically waning for such degree programs. This creates a vicious cycle where it is very difficult to distinguish the disease from its symptoms. Irrespective of this, the cause for both the symptom and the disease is identifiable: market orientation.

If we utilize the neoliberal free market conceptualization of higher education as a product or a service we can observe the following: the 'market' demand for graduates with these degrees (i.e. skill set/education/training) is in rapid decline in the new economy; student consumers respond by demanding less of these products and services; private HEIs supply less of the undesired products and services. The increasing demand for service sector related higher education programs could be interpreted as students responding to labour market signals from the new economy. This can also be connected to the trend towards growth in postgraduate enrolment.

The expansion of private higher education at the postgraduate level has been described as "extraordinary" with enrolment expanding by 4.5 times in barely 10 years (Casanova &

Rodriguez, 2005). Various explanations have been offered for this extraordinarily high participation in postgraduate education by students enrolled in private HEIs. On the one hand, the new economy has created a highly competitive labour market where students try to distinguish themselves through master's degrees or specialization. On the other hand, this highly competitive labour market has made it more attractive to some students to remain in the higher education system rather than trying to compete for employment with the hundreds of thousands of students that graduate every year.

The data (INEGI, 2012; BUAP, 2012; UNAM, 2013; UDEM, 2013; UANL, 2013; Universidad de Guadalajara, 2013; Universidad Veracruzana, 2013) on program registration suggests that amongst the various programs offered by HEIs in Mexico, MBA and Executive MBA programs have been particularly popular. This is unsurprising given the labour market utility (in terms of employment opportunities) of such qualifications within the context of an economy being dominated by the service sector. From this we can extrapolate a corresponding decrease in demand for arts, humanities, education, sciences, and agriculture as well as health and social-welfare postgraduate programs.

What will happen when demand decreases until it is non-existent? Imagine a society constituted of citizens who utterly lack the intellectual maturity and capacity to comprehend, analyze and respond – individually or collectively – to the sociopolitical-economic-cultural transformations taking place all around them. How will such citizens be able to participate in or have ownership of the processes that directly or indirectly impact their material reality? In recent times much has been made of the importance of ‘agency’, ‘participation’ and ‘ownership’, but how can an *undereducated* populace have effective agency, meaningful participation or

substantive ownership? I contend that marketization of higher education in Mexico specifically and Latin America more generally is producing an undereducated populace. And, I contend that this represents an insidious attack on a traditionally held public good within the public sphere. I describe this attack on public HEIs generally and universities particularly, as being insidious precisely because the causal socioeconomic transformations used to perpetrate this attack are presented as beneficial to and even indispensable for development.

Let us pause and refer back to Friedrich List once more. According to List, “It is a very common clever device that when anyone has attained the summit of greatness, he ‘kicks away the ladder’ by which he has climbed up, in order to deprive others of the means of climbing up after him” (List cited in Chang, 2002, p. 4). Marketization of higher education in Mexico has co-opted knowledge production and citizen formation, subjugating both processes to the profit-making-above-all-else imperative of neoliberal capitalism.

At the core of marketization is the commodification of higher education; the transformation of higher education as a public good in the public sphere into a consumer product in a higher education consumer marketplace. Therefore, I contend that the insidious implementation of a marketized form of higher education in Mexico, by exogenous agents, can be accurately described as “kicking away the ladder” that would lead to positive and substantive socioeconomic transformation in Mexico.

Over the course of the past three decades there has been a profound socioeconomic policy shift away from *publicness* towards privatization and, increasingly, *marketization*. This has severely impacted the social institutions of many Latin American countries that are essential to eradicating underdevelopment. In Mexico, the focus of this thesis, there has been a tridimensional convergence of 1) increasing demands for socioeconomic reform from the IDR;

2) decreasing domestic structural and institutional educational capacities; and 3) intensive insertion into neoliberal globalized trade.

This tridimensional convergence continues to threaten the university system as a whole (i.e. private and public institutions) and simultaneously promote underdevelopment in Mexico via the implicit process of marketization. The intense insertion of unprepared Latin American countries such as Mexico into a fiercely competitive global economy has produced disastrous results in terms of both quantitative outcomes (i.e. living standards) and qualitative outcomes (i.e. quality of life).

It can be argued that these major trends speak to a systematic assault on universities generally and public universities particularly, especially with regard to their role as public goods within the public sphere. The radical shift in Mexican socioeconomic policy that began in the 1980s and was consolidated in the 1990s is in large part attributable to exogenous geopolitical and economic pressure that was simultaneously severe and systematic.

The IDR⁵⁶ was one of the main sources of this unremitting drive for socioeconomic policy change. The IDR was not immune to the multidimensional privatization of public assets, institutions and State-dominated spheres of influence that neoliberalism prescribed. In fact, the IDR, as a collective entity, was actively engaged in the promotion and promulgation of ‘development’ policies and practices designed to impose neoliberal socioeconomic prescriptions. A key component of these changes was the focus on lower level educational goals (i.e. primary and secondary) at the expense of higher education.

The MDG target of providing universal primary education by 2015 is, in isolation, a

⁵⁶ The term “international development regime” refers collectively to an overarching global institutional structure comprised of: international financial/trade institutions (World Bank, IMF, and WTO); specialized International aid/relief organizations (UNESCO etc.); donor countries and mainstream NGOs, economists/academics, policy-makers and practitioners.

noble and necessary objective. However, when accompanied by large-scale State disinvestment from higher education, this MDG educational objective becomes particularly worrisome. It can be argued that focusing exclusively on primary education is indicative of planning strategies that are overly short-term and insufficiently multidimensional.

Long term planning (i.e. strategic planning) must include all levels of education. If we consider a national education system (as part of the national development plan) as a virtuous cycle, then the importance of higher education becomes abundant. Let us consider the following questions: 1) what happens to students after successful completion of primary and secondary education? Typically, many students go onto to join the labour force. Yet, in the new economy, an increasing number of these students need ‘further’ or ‘higher’ education or skills training; 2) where do highly skilled/trained professionals come from ? Teachers (for primary and secondary students), nurses, engineers, doctors, social workers/counsellors, medical researchers, architects, and environmental scientists all come from within the higher education system; 3) can any society whose constituent members possess only secondary level (i.e. high school) education be expected to form an autonomous and intellectually mature citizenry capable of engaging in substantive democracy?

Imagine what Sweden or Japan or Canada would be like if their respective societies were devoid of citizens without higher education. I contend that any society whose adult population is devoid of some form of ‘advanced’ ‘further’ or ‘higher’ education would be incapable of generating viable long-term solutions to socioeconomic issues or even comprehending such issues. Does high school (by itself) prepare Australian youth to become legislators or ocean wildlife researchers? Does high school (by itself) prepare American youth to become medical researchers who can unlock the secrets of childhood illnesses? The answer is an unequivocal no.

Then, why is it that the IDR has advocated and continues to advocate a marginalization of public (i.e. State funded) higher education? What type or form of ‘development’ are countries of the Global South expected to have? Should the African continent be content to wait on medical researchers from Europe to find meaningful solutions to the AIDS/HIV catastrophe that kills untold millions annually? And should South American countries be content with the adversarial governance structures implanted by former colonial powers? Would it not be more beneficial to have South American sociopolitical scientists create alternate models that align with their plural societies? Surely such sociopolitical scientist cannot emerge directly from secondary education institutions.

4.3 Summary

This chapter has provided a discussion of the findings of this research project in order to answer the question of how the marketization process has affected universities generally and public universities particularly, especially with regard to public goods and the public sphere. Major data trends were identified and presented. A tridimensional convergence paradigm consisting of: 1) increasing demands for socioeconomic reform from the IDR; 2) decreasing domestic structural and institutional educational capacities; and 3) the degree of insertion into neoliberal globalized trade was also identified and presented. The Major data trends were then analyzed relative to the tridimensional convergence paradigm within the context of the established theoretical framework and the thesis statement. The proceeding chapter will provide a synopsis of the outcomes of the research project and its importance for development and higher education within Latin America.

Chapter V: Conclusions and Recommendations

5.1 Marketization in Mexican Higher Education

The profound socioeconomic policy shift away from *publicness* towards privatization and, increasingly, *marketization* during the past three decades has severely impacted the social institutions of many Latin American countries. In Mexico, the focus of this thesis, higher education and higher education institutions are being attacked in their roles as local public goods within the public sphere. This is a role that the Latin American university has traditionally held.

Latin American universities have been the site of essential knowledge production, where public and private resources are allocated to various courses of study and forms of research with significant impact on wider society. Simultaneously, the Latin American university has traditionally been the site for production of critical perspectives on socioeconomic, sociopolitical and sociocultural issues as well as the development of a critical autonomous citizenry.

By means of a tridimensional convergence paradigm, the Mexican Higher Education System has been subjected to a process of intensive market oriented privatization. The findings of this research (both quantitative and qualitative) demonstrate that the choice of this marketized higher education paradigm where HEIs operate as for-profit enterprises in the market-driven educational products and services industry is enabling underdevelopment.

And yet the material realities of an overwhelmingly youthful population (that is expected to continue to grow consistently) combined with a relatively low higher education participation rate⁵⁷ (less than 25%) are inescapable. Whereas Argentina has a higher education participation

⁵⁷ This refers to the percentage of the population between age 18 to 21 who are enrolled in higher education

rate in excess of 60%, Mexico, Brazil and Ecuador are all below 25% (IESALC, 2008). This means that approximately 75% of potential university students are unable to engage in these primordial social institutions.

With a participation rate of less than 25% there are over 3.2 million students enrolled in higher education in Mexico. Another 6.4 million would need to be enrolled to reach 75%. Even with the massive expansion of the private provisioning of higher education products and services by predatory demand absorbing enterprises, there simply isn't enough institutional capacity in the system. This is the result of that paradoxical relationship mentioned in chapter 4. Intensely privatized massification should have resulted in greater access to ostensibly high-quality higher education. Instead, it has helped to produce a generalized degradation in quality both in public and private HEIs.

It would appear then that eliminating privatized higher education provisioning is unfeasible. Notwithstanding my extreme aversion for marketized higher education, I am unable to envisage a feasible scenario in which the public HEIs of Mexico are able to meet future demand. The same holds for the rest of Latin America. And I have never argued against private higher education per se, rather I have argued against the marketized version that has now become the norm.

It has also become the norm that students (and their families) are being increasingly asked to bear the financial cost of participating in the higher education communities that function as local public goods in the public sphere. This is, in my view, part of a broader attack on publicness that has become prevalent on a global scale and expresses itself in various forms at the local level.

There is a striking parallel between the attack on *'publicness'* in the US higher education system and the similar process in Mexico and Latin America. This is to be expected as Mexico's northern neighbour is widely recognized as the center of global hegemony in the neoliberal capitalist world order. Thus, the culture shift in the U.S.A. towards narcissistic levels of individualism is being replicated in Mexico as it 'develops' more, i.e. underdevelopment intensifies. And this is being manifested in the marketization of higher education and its institutions. This is indicative of an exceedingly high degree of globalization from above and globalization of culture.

5.2 Policy Recommendations

5.2.1 Mexico and its neighbours

Consistent with my disinclination towards exogenous policy prescriptions, I view myself unqualified to proffer 'policy recommendations' to the citizens of a country so richly endowed with intellectual acumen. There are many Mexican researchers who, by virtue of the directness and immediacy of their connection to the material realities in question, are better suited to conceptualize, concretize, communicate and effectively implement socioeconomic policy. And yet, as a social scientist I am compelled to share some of my thoughts on future policy.

The General Planning Law (1983) that obligates each federal government to prepare a six-year National Development Plan needs to be amended. I would recommend rewriting this legislation to allow for strategic long term planning (10 years plus) that is unperturbed by changes in political leadership. Presidential election outcomes must never be allowed to derail higher educational plans and programs that are functioning successfully as evidenced by the

quality of the graduates and their contribution to society. This would potentially help to eliminate discontinuity in policy generation and implementation.

Enhancing existing and develop new undergraduate and graduate student exchange programs with multilateral partners should become a priority. The existing relationship with Russia, for example, could be replicated with other European countries. Similarly, bilateral student exchange programs with non-European countries are desperately needed. Exchange programs with countries such as Japan, China, South Africa and Barbados, would provide Mexican university students with potentially invaluable cross-cultural learning experiences. Such cross cultural learning may eventually help to eradicate the widely propagated and dubious notion that only North American cultural values are worthy of replication.

It would normally be appropriate to recommend the creation and implementation of a robust regulatory system to counter the trend towards extreme market orientation in private Mexican HEIs. And I would normally make such a recommendation, but Mexico already has too many laws, rules, regulations and procedures relating to its higher education system. Perhaps what is needed is a deregulation, i.e. a systematic and thoughtful elimination of the multi-level bureaucracy that currently exists. Yes, private HEIs need to be regulated, but laws are incapable of changing a people or their culture.

The desire to change will need to emanate from within the HEIs themselves; from the people within the HEIs who are simultaneously members of the broader society. This internal transformation from within the social institution and wider society will have a greater possibility of being self-sustaining than anything imposed from outside. This transformation is also needed on a wider regional level.

As mentioned above, private sector involvement in higher education is, for the

foreseeable future unavoidable. Therefore, it must be treated as an opportunity to be utilized rather than a scourge to be tolerated. In order to meet the ever-increasing demand for higher education and protect the right to education at all levels, a public-private synergy must be established. Private sector involvement in providing access to higher education must align with the basic principle that such education is a local public good within the public sphere.

The actual implementation of such ideals must be decentralized to each state's educational authority on the basis of constitutional law at the federal level. This decentralization will facilitate a sense of ownership and control over the higher education within the various communities of each state. It may also help to reconnect HEIs with the communities in which they are situated.

State and local government leaders, community representatives and representatives from the HEIs need to form working groups that will then determine how to better integrate with each other. At the national and state level, government officials and officials from HEIs need to launch intense campaigns to promote awareness about the need for and benefits of higher education and higher education institutions.

Scientific research must become a top priority for all universities, whether public or private. This is essential if the MHES is to avoid the pitfall of merely catering to the labour market. There needs to be ongoing advance intensive research in a multiplicity of fields. And the value (in all terms) of this scientific research must be consistently and effectively communicated to the society at large.

Ordinary Mexicans need to develop a sense that the research being carried out at HEIs will have positive outcomes for them in terms of improving both their standard of living and quality of life. None of this will be easy and none of it will happen quickly. And this should also

be clearly communicated to the public at large. If realistic goals and objectives are set, then results can be better assessed and appreciated.

Latin American institutions of higher education (especially universities) need to be reinvented from within in order to better confront the challenges of operating in local conditions severely affected by global economic and geopolitical pressures. On the subject of this transformation, the thoughts of renowned Mexican academic Axel Didriksson are worth quoting:

“Universities must transform themselves in order to respond to the new network structures and become bases of learning of high social value in knowledge from a research and interdisciplinary perspective based on the context of its application, without failing to maintain their critical view toward society and their commitment to human development and sustainability” (IESALC, 2008, p. 38)

To effect such a transformation there must be a renewed focus on social relevance, pertinence and quality. Pertinence refers to the role and the place of HEIs in society, as a place of research, teaching, and learning and is achieved via active involvement in all aspects (cultural, social, political, economic) of the society in which a HEI is situated. Quality refers to the notion that education is a human right and should be equally accessible to all at all levels. Social relevance refers to situating the role of HEIs within the historical context and material conditions of a given society. By focusing on these three factors, HEIs will be able to actively contribute to the cultivation of an educated citizenry capable of constructively engaging in the political, economic and cultural life of their country.

5.3 Concluding Remarks

Higher education, irrespective of the modality, and by extension higher education institutions (HEIs) plays an irreplaceable and invaluable role in the organization and

reorganization of our human societies. Within the Latin American historical context, HEIs have been traditionally viewed as the site for production of critical perspectives on socioeconomic, sociopolitical and sociocultural issues as well as the development of a critical autonomous citizenry. As such, Latin American HEIs are simultaneously essential public spheres and local/global public goods that play an essential role in promoting substantive transformation. The exigencies of intensive insertion into the new economy continue to threaten this role increasingly.

This threat is real and tangible. Its effects can be quantified in terms of ever-increasing student indebtedness as well the degenerative erosion of primordial social institutions that are essential to high-value substantive democracy. Its effects can further be quantified in terms of the untold hundreds of thousands, if not millions, of lives that have been lost to the “war on drugs” that has been carried out because of failed social policies.

The inability to eradicate poverty and its attendant socioeconomic inequality and injustice in Latin American societies is inexorably linked to the marketization of higher education. In place of comprehensive higher education, millions of young Latin Americans are being subjugated to a systematic process of degenerative enculturation as part of a global socioeconomic engineering paradigm intended to prepare them for North American style wage-slavery in the new economy. This evil and insidious praxis must come to an end.

All Mexicans, and by extension all Latin Americans, have a right to expect and demand equitable access to quality higher education that is socially relevant and pertinent. Higher education and higher education institutions are local public goods in the public sphere that perform the essential cultural function of ‘humanization’. This function of helping to maintain human dignity must never be sacrificed at the altar of temporal profit making.

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Appendices

Appendix A: State Public Universities

University Name	University Website
U.A. de Aguascalientes	http://www.uaa.mx
U.A. de Baja California	http://www.uabc.mx
U.A. de Baja California Sur	http://www.uabcs.mx
U.A. de Campeche	http://www.uacam.mx
U.A. del Carmen	http://www.unacar.mx
U.A. de Coahuila	http://www.uadec.mx
U. de Colima	http://www.ucol.mx
U.A. de Chiapas	http://www.unach.mx
U.A. de Chihuahua	http://www.uach.mx
U.A. de Cd.Juárez	http://www.uacj.mx
U.J. del Edo. de Durango	http://www.ujed.mx
U. de Guanajuato	http://www.ugto.mx
U.A. de Guerrero	http://www.uagro.mx
U.A. de Hidalgo	http://www.uaeh.edu.mx
U. de Guadalajara	http://www.udg.mx
U.A. del Edo. de México	http://www.uaemex.mx
U. Michoacana de San Nicolás Hgo	http://www.ccu.umich.mx
U.A. del Edo. de Morelos	http://www.uaem.mx
U.A. de Nayarit	http://www.uan.mx
U.A. de Nuevo León	http://www.uanl.mx
U.A.B.J. de Oaxaca	http://www.uabjo.mx
U.A. de Puebla	http://www.buap.mx
U.A. de Querétaro	http://www.uaq.mx
U.A. de San Luis Potosí	http://www.uaslp.mx
U.A. de Sinaloa	http://web.uasnet.mx
U. de Sonora	http://www.uson.mx
I. T. de Sonora	http://www.itson.mx
U.J.A. de Tabasco	http://www.ujat.mx
U.A. de Tamaulipas	http://portal.uat.edu.mx
U.A. de Tlaxcala	http://uatx.mx
U. Veracruzana	http://www.uv.mx
U.A. de Yucatán	http://www.uady.mx

U.A. de Zacatecas	http://www.uaz.edu.mx
U. de Quintana Roo	http://www.uqroo.mx
CESUES Ctro. de Est. Sup. del Edo. de Sonora	http://www.cesues.edu.mx
UNICACH U. de Ciencias y Artes de Chiapas	http://www.unicach.edu.mx
U. del Mar (Oaxaca)	http://www.umar.mx
U. de Occidente	http://www.udo.mx
U. del Oriente	http://www.universidadoriente.edu.mx/
U.T. de la Mixteca	http://www.utm.mx
U. de la Chontalpa	http://www.upch.edu.mx
U. del Caribe	http://www.unicaribe.edu.mx
U.E. del Valle de Ecatepec	http://www.uneve.edu.mx

Source: http://ses.sep.gob.mx/wb/ses/universidades_publicas_estatales

Appendix B: Federal Public Universities

University Name	University Website
Universidad Nacional Autónoma de México	http://www.unam.mx/
Instituto Politécnico Nacional	http://www.ipn.mx/
Universidad Autónoma Metropolitana	http://www.uam.mx/
Universidad Pedagógica Nacional	http://www.upn.mx/
Universidad Autónoma Agraria Antonio Narro	http://www.uaaan.mx/
El Colegio de México	http://www.colmex.mx

Source: http://ses.sep.gob.mx/wb/ses/universidades_publicas_federales

Appendix C: Magna Charta

The Magna Charta of the European Universities is the final result of the proposal addressed from the University of Bologna, in 1986, to the oldest European Universities. The idea of the Magna Charta was enthusiastically accepted. During a meeting in Bologna (June 1987) the delegates of 80 European Universities elected an eight members board including: the President of the European Rectors Conference, the Rectors of the Universities of Bologna, Paris I, Leuven, Barcelona, prof. Giuseppe Caputo (University of Bologna), prof. Manuel Nunez Encabo (President of the sub-commission for Universities of the Parliamentary Assembly of the Council of Europe). All the Rectors who were in Bologna to celebrate the 900th Anniversary of the Alma Mater signed the document, drafted in Barcelona in January 1988. The aims of this document are to celebrate the deepest values of University traditions and to encourage strong bonds among European Universities. Having, anyway, this document an universal inspiration any extra-European University has the possibility to join it.”

Source: <http://www.magna-charta.org/cms/cmspage.aspx?pageUid={d4bd2cba-e26b-499e-80d5-b7a2973d5d97}>

Appendix D: Human Development Index (HDI)-Mexico

The HDI is a summary measure for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living. As in the 2011 HDR a long and healthy life is measured by life expectancy. Access to knowledge is measured by: (1) mean years of schooling for the adult population, which is the average number of years of education received in a lifetime by people aged 25 years and older; and (2) expected years of schooling for children of school-entrance age, which is the total number of years of schooling a child of school-entrance age can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child's life. Gross National Income (GNI) per capita expressed in constant 2005 international dollars converted using purchasing power parity (PPP) rates measures standard of living. To ensure as much cross-country comparability as possible, the HDI is based primarily on international data from the United Nations Population Division, the United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics (UIS) and the World Bank. As stated in the introduction, the HDI values and ranks in this year's report are not comparable to those in past reports (including the 2011 HDR) because of a number of revisions done to the component indicators by the mandated agencies. To allow for assessment of progress in HDIs, the 2013 report includes recalculated HDIs from 1980 to 2012.

Source: <http://hdrstats.undp.org/images/explanations/MEX.pdf>

Appendix E: Higher Education Institutional Autonomy and Funding in Mexico

To date, Article 3 has been amended on nine separate occasions with complete overhauls taking place in 1934, 1946 and 1993 (SEGOB, 2013). The 1934 revisions to Article 3 declared that State provided education would be ‘socialist’, free (of tuition fees) and that primary education is compulsory. Another complete revision of Article 3 was undertaken in 1946 , which eliminated the socialist principle and replaced it with a ‘democratic and national’ ideal while simultaneously establishing the State as the only entity authorized to award or withdraw official recognition to private educational instruction. The policy changes of the 1970s provided a transition into the neoliberal era that would begin in the 1980s and hit full stride after 1990. [All 4 reforms to Article 31 have taken place during the neoliberal era, beginning in 1993, with the most recent reforms taking place in 2012 (SEGOB, 2013).

Appendix F: Private, Public & Total Higher Education Enrolment in Mexico 1990-2012

Private, Public & Total Higher Education Enrolment in Mexico 1990-2012					
School Year	Public Enrolment	Public %	Private Enrolment	Private%	Total Enrolment
1990-1991	1,013,474	80.90%	238,533	19.10%	1,252,027
1991-1992	1,062,136	80.70%	254,179	19.30%	1,316,315
1992-1993	1,030,188	78.80%	276,433	21.20%	1,306,621
1993-1994	1,074,003	78.50%	294,024	21.50%	1,368,027
1994-1995	1,100,826	77.50%	319,635	22.50%	1,420,461
1995-1996	1,170,208	76.30%	362,638	23.70%	1,532,846
1996-1997	1,209,415	75.00%	402,903	25.00%	1,612,318
1997-1998	1,268,924	73.50%	458,560	26.60%	1,727,484
1998-1999	1,315,678	71.60%	522,206	28.40%	1,837,884
1999-2000	1,367,020	69.60%	595,743	30.40%	1,962,763
2000-2001	1,390,073	67.90%	657,822	32.10%	2,047,895
2001-2002	1,442,666	67.20%	704,409	32.80%	2,147,075
2002-2003	1,494,567	66.80%	742,227	33.20%	2,236,791
2003-2004	1,556,885	67.00%	765,896	33.00%	2,322,781
2004-2005	1,604,142	67.30%	780,716	32.70%	2,384,858
2005-2006	1,647,111	67.30%	799,615	32.70%	2,446,726
2006-2007	1,694,840	67.00%	833,824	33.00%	2,528,664
2007-2008	1,749,053	66.70%	874,314	33.30%	2,623,367
2008-2009	1,809,407	66.90%	895,783	33.10%	2,705,190
2009-2010	1,928,824	67.70%	918,555	32.30%	2,847,376
2010-2011	2,037,205	68.30%	944,108	31.70%	2,981,313
2011-2012	2,158,367	68.30%	1,002,828	31.70%	3,161,195