

**Latin America's Tertiary Education:  
Accelerating Pluralism**

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Higher Education in Latin America and the Caribbean:  
A Review of Recent Developments and Trends)

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## EXECUTIVE SUMMARY

This paper compares tertiary education in Latin America to a global reform agenda promoted by international agencies, innovative policymakers, and leading scholars. The agenda is interpreted and partly modified here through a pluralist model. A stark alternative to much traditional practice and state-centered approaches, the pluralist model provides guidance to understanding both Latin America's achievements to date and international recommendations for further change. The pluralist model is pertinent to this conference's theme of diversification born largely of expansion.

The paper assesses the principal accomplishments (or initiatives) and challenges of Latin America's tertiary education against the pluralist model in regard to three vital concerns: (1) financial supply; (2) resource utilization; (3) knowledge output.

Consistent with pluralism, the analysis of these three substantive concerns highlights private-public configurations. The private-public configurations go well beyond the balance between private and public tertiary sectors. They encompass private-public mixes within each sector. They also encompass a range of dynamic private-public interactions involving students, collegial units, businesses, society, and public-autonomous entities--with attention to the role of the state in relation to these actors.

As it pursues novel lines, the paper remains faithful to the (1997) IDB strategy paper for higher education, including its emphasis on identifying and building upon achievements and on considering the crucial differentiation among the various "functions" of higher education, each requiring a different reform mix. Such differentiation fits well with a pluralist orientation, rejecting efforts to gauge and improve performance by one "best practice" approach for the whole tertiary system. Instead, variable blends of private and public actors and actions are indicated. This often means an enhanced though modified role on the private side, but also private-public partnerships and a greatly strengthened public ability to regulate and steer pursuits to higher levels of performance.

The paper's Accelerating Pluralism subtitle thus has a double meaning. The first (with accelerating as an adjective) is a conceptualization of empirical reality. It identifies key pluralist aspects growing in Latin America's tertiary education. The second meaning (with accelerating as a verb) looks to reform. It identifies policies to promote the pluralist tendencies and point them increasingly in healthy, dynamic directions. Accelerating pluralism has been important in how Latin America has responded and must respond better to expansion and diversification.

## INTRODUCTION

### Overview

This paper compares tertiary education in Latin America to salient features of a global reform agenda aimed at improved policy and performance.<sup>1</sup> Largely promoted by international agencies, innovative policymakers, and leading scholars, the agenda is interpreted and partly modified here through a pluralist model. A stark alternative to some traditional practice and state-centered approaches, the pluralist model provides guidance to understanding both Latin American achievements and international recommendations for further change. The pluralist model is pertinent to the enormous tertiary education diversification born largely of expansion—and thus it is pertinent to the themes of this conference.

Happily, appreciation of the importance of assessing reality and policy alternatives in tertiary education is greater today than it was twenty or even ten years ago. And this appreciation reflects the much-enhanced appreciation of the importance of tertiary education itself. The importance is highlighted in the IDB's strategy paper and in other prominent policy papers from international agencies.<sup>2</sup> The conviction that tertiary education is crucial to national development, especially in a globalizing context and to meet the needs of a "knowledge economy" or "knowledge society," tends to support the notion that there is a *crucial public role*, indeed responsibility, to promote tertiary education. Yet this promotion must not mean simply more money for an ever-larger system; it must mean policies that help tertiary education improve itself and serve society better. And this public role must be creatively supportive or at least not inhibiting of useful private roles, some competitive, others complementing public activity, including in private-public partnerships.

This paper is thus faithful to the IDB's strategy paper and its emphasis on tertiary education's importance, the mix of progress and problems to date, and the need for policy reform.<sup>3</sup> Like the strategy paper, it rejects both the broad defense of the status quo and common reform approaches that blast performance to

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<sup>1</sup> Let us quickly identify both "tertiary" and "Latin America." *Tertiary education* may be becoming the terminology of choice. It refers to "a stage or level, beyond secondary and including both university and non-university types of institutions and programmes." OECD, *Redefining Tertiary Education* (Paris: 1998: 9). One attraction of the term is that it can thus encompass many non-traditional institutions and functions, both crucial to the enormous differentiation that has characterized Latin America since the middle of the last century. *Latin America* can often in the paper be taken to encompass at least part of the Caribbean, especially the Dominican Republic, but Cuba is a largely distinct case and, in different ways, so is much of the English-speaking Caribbean.

<sup>2</sup> IDB, *Higher Education in Latin America and the Caribbean: A Strategy Paper*. (Claudio de Moura Castro and Daniel Levy, Washington, D.C.: IDB, Sustainable Development Department, Education Unit : 1997, and published simultaneously as *La educación superior en América Latina y el Caribe* and as *Educação Superior na América Latina e no Caribe*. Task Force on Higher Education and Society (sponsored by the World Bank and UNESCO, among other agencies), *Higher Education in Developing Countries: Peril and Promise* (Washington, D.C.: World Bank). An important World Bank work in progress is *Constructing Knowledge Societies: New Challenges for Tertiary Education: A World Bank Strategy* (draft version). Also see the World Bank's, *Higher Education: The Lessons of Experience* (Washington, D.C.: World Bank, 1994) and Angela Ransom, Siew-Mun Khoo, and Viswanathan Selvaratnam, *Improving Higher Education in Developing Countries* (Washington D.C., Economic Development Institute of the World Bank, 1993).

<sup>3</sup> Of course the present paper is no substitute for the IDB strategy paper, but rather can fruitfully be read in conjunction with it. Additionally, a more elaborate and scholarly treatment of the strategy paper's points is Claudio de Moura Castro and Daniel Levy, *Myth, Reality and Reform: Higher Education Policy in Latin America* (Inter-American Development Bank/Johns Hopkins University Press, 2000). Obviously, all these analytical efforts have both the strength and liability of generalizing about a region that is as internally diverse as Latin America, even leaving aside much of the Caribbean.

date and propose rebuilding systems from scratch according to some blueprint invented by scholars or policymakers.

Pivotal to the strategy paper's analysis of both reality and reform is a novel typology of tertiary education's four "functions." This functional differentiation helps us understand changes to date in Latin American tertiary education and an agenda for further change. However, close analysis by function would require far more space than we have at our disposal in the present paper and so we instead highlight a few key comparisons among functions. Thus, rather than rehashing here the features and limitations of the typology of four functions, we reprint a summary table (see Appendix 1) and provide this tiny definitional sketch: (a) "Academic leadership" involves high quality research, teaching, and extension by top international scholarly norms; (b) "Professional work" prepares students for specific jobs requiring advanced formal education and for related research or extension; (c) "Technical training and development" involves mostly short programs of practical training for middle-level rungs on the job market and could be considered *technical-vocational* for the purposes of the present paper; (d) "General tertiary education" aims not at a particular job market but at thinking and communication skills that can serve students in employment and broader life and citizenry skills.<sup>4</sup> Science and technology is a broad concern that overlaps these functions (especially the first and third) but is treated primarily elsewhere in this conference, so this paper instead just highlights some points of fit to the tertiary education foci here.<sup>5</sup>

The functional differentiation is intertwined with institutional diversification, both common global responses to enormous enrollment expansion. From roughly 400,000 students at the middle of the last century, Latin America (and the Caribbean) have roughly ten million today, though both rapid growth and the increased frequency of part-timers in scattered institutions make it hard to have precise figures. At least the large countries have over one-third of their enrollments in "non-universities." Non-universities are now more than 80 percent of the region's institutions. Probably more than 90 percent of Latin America's enrollments are in institutions with fewer than 5000 students.<sup>6</sup> As the conference organizers apparently had in mind when selecting the conference theme of responses to expansion and diversification, most policy and scholarship to date has taken inadequate account of these changes.

*The heart of this paper assesses the principal accomplishments and challenges of Latin America's tertiary education against the pluralist model in regard to three vital policy concerns:*

- (1) *financial supply*
- (2) *resource utilization*
- (3) *knowledge output.*

The three of course neither encompass the totality of policy concerns nor receive comprehensive treatment here. But they provide ample illustration of the relationship between actual performance and the reform agenda. For each of the three we consecutively consider: (a) the global reform agenda, highlight-

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<sup>4</sup> The important Task Force (2000) document associated with the World Bank and UNESCO echoes the IDB's notion of "general education," as it makes a vital contribution to promoting the position that tertiary education is crucial to development but needs reform. However, from a pluralist perspective, it remains too wedded to notions of the proper level or type of policy in matters like autonomy, governance, financial source, accountability, whereas the present paper discriminates more by function, private-public mixes, and so forth.

<sup>5</sup> See IDB, *Science and Technology for Development: An IDB Strategy* (Claudio de Moura Castro, Laurence Wolff, and John, Washington, D.C, IDB, Sustainable Development Department, 2001).

<sup>6</sup> Carmen García Guadilla, *Comparative Higher Education in Latin America: Quantitative Aspects* (Caracas: IE-SALC/UNESCO, 2000: 24, 29). She reports (p. 19) that for 1994 there were 812 universities and 4626 non-universities. Especially the latter figure must have grown a good deal since then, not to mention the fact that many institutions called universities are hardly that by common international standards. The same source reports (pp. 37, 39) that there were nearly 7.5 million students in 1994, accounting for 17 percent of the traditional university age cohort.

ing pluralist dimensions; (b) positive accomplishments and changes along these lines within Latin America; (c) the region's limitations and further needs, including reference to the aforementioned functions. Thus, (b) and (c) emphasize Latin American reality, but compared to global prescription.

The thrust throughout is analytical, not normative.<sup>7</sup> Realities that increasingly approximate a global model are not necessarily "good," and realities that continue to defy it are not necessarily "bad." But, like them or not, the basic global model and associated pluralist features are both powerful enough to demand consideration. Such consideration includes assessing regional reality against the model and considering what reforms the model would suggest for improving reality.

### A Pluralist Private-Public Focus

The final step before proceeding to our three policy concerns (but some readers may prefer to skip directly to them) is to provide conceptual context in terms of a pluralist model highlighting private-public dimensions. The pluralist theme works well with the idea of differentiation, both functional and institutional. Pluralism, after all, refers to multiple realities and multiple routes to improvement rather than to one prescribed course.

A pluralist model contrasts starkly with a "state control" model. In a state control model the state tries to design and closely direct a planned, coherent system, often with common rules and standards for all. State-directed public centralization is paramount, with little room left for private initiative or for differentiation not centrally planned. This is a top-down system. Compared to regions with more repressive or otherwise stronger states, Latin America has rarely implemented this model but has often favored or pursued many associated tendencies, such as nationally legislated system-wide rules.

Hostile to the state control model, the global reform agenda refers repeatedly to a "state supervisory" model. Here the state resists micro planning and imposition of common system-wide practice. The state supervisory model still puts the state at the core and even "above" the system, which it "steers," and it does not say much about private education. But this model is mostly compatible with the pluralist model and we will not elaborate the distinctions.<sup>8</sup> It is simpler for us to develop the pluralist model, noting in our treatment of the three policy issues a few important differences from state supervision.

A pluralist model highlights the diversity of actors, institutions, functions, and reform agents. It highlights practices and changes that occur in parts of a system, rather than in the whole system. It highlights decentralization and considerable dynamics "from below." Initiatives are multiple and often quite surprising to many. Without doubt, the pluralist model is largely illustrated by much that is salient in the U.S. system, model for so much of the global reform agenda in tertiary education as in wider matters of political economy.

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<sup>7</sup> However, the paper's analytical emphasis does not mean heavy inclusion of data. The best short publication to consult for a quantitative profile of the region's tertiary education is Garcia Guadilla 2000, drawing on IESALC/UNESCO data. And IESALC/UNESCO has the best database to consult for much more data. IESALC is Instituto Internacional para la Educación Superior en América Latina y el Caribe.

<sup>8</sup> For elaboration of models and contrasts see Frans A. van Vught, "Autonomy and Accountability in Government-University Relationships," CHEPS publication #106 in the series Higher Education Policy Studies, Twente, 1992, and Daniel Levy, "Pluralist Principles in Higher Education:" in Luis Enrique Orozco, ed., *Educación superior: Desafío global y respuesta nacional* (Universidad de Los Andes, 2001: 48-65). Elements of the global agenda we deal with can be compatible with both the state supervisory and pluralist models mostly because the two models overlap. Additionally, the agenda and the models are not precise, so much depends on interpretation as well as has details are specified.

Compared to most other models, the pluralist model highlights private actors and actions. This means vibrant private tertiary education institutions but also private dynamics within public institutions and lots of private-public mixes. The sense of privateness comes from the role of individuals as clients or otherwise pursuing self-interest and it comes from a variety of groups and institutions outside government. Meanwhile, pluralism contemplates a public side that goes beyond central government alone to an array of more autonomous actors. And public and private blur and overlap in many ways, as when we consider “society” and matters like mixed public and private interests.

Crucially, unlike a laissez-faire alternative, a pluralist model has a major role for the state. Indeed in certain respects a pluralist model suggests a more vibrant, influential state or public presence than presently exists; one example concerns reforms to insure greater performance accountability for public funds. However, the pluralist state works with a multiplicity of private and public actors, rather than pre-empting their space.

For each of our three policy concerns—financial source, resource utilization, and knowledge output—we will look at private-public configurations in Latin America’s tertiary education, including changes in progress. For each we compare these configurations to those consistent with a pluralist-oriented global model for improvement.

## FINANCIAL SOURCE

### Global Agenda

One of the strongest elements in the global reform agenda is the end of excess reliance on state finance. Such reliance, often near total, is a hallmark feature of a state control model. It is quite incompatible with a pluralist model, which contemplates a much more vibrant private-public funding mix.

Yet it is crucial to distinguish the pluralist thrust from an extreme privatizing, anti-public, approach advocated by some and stereotypically portrayed as common by critics of the reform agenda.<sup>9</sup> The pluralist model does not contemplate an end to public funding. Indeed, increased public funding might be just as logical as decreased public funding, though the *share* of public funding would likely fall. And as we will see in the resource utilization issue, a great decrease in automatic funding untied to performance can be offset by increased funding tied to performance and the state’s role in promoting and shaping that performance.

The global agenda allows that there are important rationales for public funding. These include “market imperfections,” meaning that private money will not cover enough activities that produce public or social goods. On the economic side these “externalities” may include enhanced productivity, regional development, increased consumption, and related matters crucial to a global knowledge economy. On the social side these may include equity, improved health, benefits to other education levels, social mobility and cohesion, cultural patrimony, national development, and democratic participation.<sup>10</sup> And though one per-

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<sup>9</sup> We sidestep here the tricky question of the proper private-public financial balance for tertiary education when considered against the public under-funding of lower education. On average, the tertiary education financial share of the education public is about 20 percent in Latin America, though notably higher in a few countries (Garcia Guadilla 2000: 71). For a major international work on increased tuition and fees but with novel private-public funding partnerships, see D. Bruce Johnstone, *Sharing the Costs of Higher Education* (New York: The College Board, 1986) and for recent information, see <http://www.gse.buffalo.edu/org/IntHigherEdFinance/johnston.html>

<sup>10</sup> A nice summary appears in the World Bank draft (*Constructing Knowledge Societies*, op. cit).

spective is that the state steps in because the market fails to finance these ends sufficiently, another perspective is that the state should be pro-active, seizing the opportunity to promote such ends.

Pluralist principles suggest that even public funding be decentralized rather than flowing just through an education or other ministry. One aspect is geographical decentralization. Thus, especially for non-universities, Europe has moved to public funding from regions as well as the central state; as with the powerful U.S. tradition, this decentralized public funding often mixes with private funding. Another dimension of decentralized public funding comes through public autonomous agencies, each wielding a set of funding criteria and priorities. An important dimension of such public funding is that, in contrast to ministry funds legally bound to public tertiary education, this funding may be sector neutral: what matters is not so much who you are institutionally but what you do. This private-public neutrality dimension is associated even more with another type of public funding, or, we might say, publicly promoted funding. This refers to incentives for private financing. Prominent are tax deductions for institutions, whether private or public, and for contributions to institutions. Also relevant is public funding of infrastructure or financial partnerships with private funders.

Whatever the changes in public funding, a pluralist agenda clearly means increased private funding. Likely this includes an increased private share of total funding. Tuition and fees are crucial. A perfect example of a complementary public financing role comes with the public provision of scholarships and loans. Not only does this offset the inequities otherwise associated with such individual finance, it expands and invigorates the market of individuals by empowering them with funding, especially through “vouchers” allowing individuals to choose institutions.

Additionally crucial are private sources beyond the individual student. Much more is required from corporations, foundations, alumni, and other concerned parties. Part of that funding should come through donations but much more would come through self-interested cooperation by “stakeholders.” One example is contract work and other applied research. This relates to the funding mix associated with the “entrepreneurial university.” Another example, at the core of a knowledge economy, is shared funding arrangements for lifelong education opportunities, including for people to study part time and through new modalities of provision. Individuals, employers, and the public have complementary interests that should stimulate complementary funding.<sup>11</sup> Shared private and public funding is vital to a vibrant pluralist agenda.

A pluralist reform agenda requires that private funding be both increased and broadened in scope. It sees a major part of that funding linked, sometimes in active partnership, with public funding. The public funding itself becomes more plural and strategic than it has been.

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<sup>11</sup> For a survey of country patterns of financing education, training (learning) from early years through formal education to professional development and avocational learning for seniors, with calculations of what it would take to finance “gaps” in learning, see OECD, *Where are the Resources for Lifelong Learning?*, (Paris: 2000). And for a more analytical, policy-oriented volume that gets at rationales for who pays what, benefit/cost considerations at each stage of, and funding mechanisms or criteria that promote participation of learners, efficiency and partnership of providers, and the leverage of finance from different policy portfolios and levels of government as well as from a variety of private and third-party sources (learners, their families, enterprises, philanthropy, etc, see OECD, *Economics and Finance of Lifelong Learning* (Paris, 2001). On the importance of lifelong education, see Alan Wagner “Lifelong Learning in the University: A New Imperative?” in *Challenges Facing Higher Education at the Millennium*, W. Hirsch and L. Weber Eds. (Phoenix: American Council on Education and Oryx Press, 1999: 134-52). On the entrepreneurial university, see, for example, Simon Marginson and Mark Considine, *The Enterprise University: Power, Governance, and Reinvention in Australia* (Cambridge: Cambridge University Press, 2000) and Burton Clark, *Creating Entrepreneurial Universities* (Oxford: Pergamon Press, 1998).

## Regional Progress

As in most of the world, so for Latin America, much of the last century saw movement toward near full reliance on public funding for public tertiary education. We can, however, identify recent changes consistent with the pluralist model.

The most controversial is tuition. The outstanding national case of system-wide implementation is Chile, accomplished through repressive rule but kept in tact under democracy. Also among the notable examples is Mexico, particularly as so much attention has gone to the failure to implement tuition at the National University. Furthermore, tuition and fees are important income sources in a crucial arena of Latin America's present and future expansion: graduate education, at least for many "specialization" and Masters programs.<sup>12</sup> Meanwhile, public institutions that do not charge tuition increasingly charge assorted other fees. Some public institutions have also diversified their income profiles through contract research and special funding from decentralized public agencies.

Yet the changes in private-public financing of public tertiary education pale in comparison to the overall changes. This is because of the rise of private tertiary education. From just 3 percent of regional enrollments in the 1930s and 14 percent in the mid-1950, the private share grew to 34 percent by 1975 and probably at least 40 percent today. Since 1980, more than 80 percent of new institutions have been private, generally smaller than public counterparts and contributing greatly to pluralist diversification.<sup>13</sup> Crucial is that almost all the private institutions draw almost completely on private finance. These enrollment and funding tendencies become even more salient if an inclusive view of tertiary education encompasses vocational and various kinds of lifelong education that involve taking courses not leading to degrees. And a related trend that bears watching is the rise of for-profit providers that are tuition based. A more traditional private contribution has come through the church and associated voluntary service.

The expansion of privately funded private tertiary education marks a major change in the private-public financial mix. Coupled with the recent breakthroughs on the public tertiary education side, they move Latin America closer to a pluralist model. But we now see that the pluralist model remains more agenda than reality for public tertiary education and is quite incomplete even for private tertiary education.

## Regional Problems and Needs

The pluralist notion of financing runs up against powerful normative traditions as well as mostly middle-class student self-interest favoring a dominant state role and providing education "free" to its students. State financing for public tertiary education has not usually yielded ground to any widely accepted view that other financing is critical; instead, its relative fall appears to come from an increasing "neoliberal" state view that it should not guarantee financing or, simply, that it cannot do so given the reduced size of the state overall amid all the other demands on the public budget. What has sometimes fallen dramatically is public expenditure per pupil, as enrollments grow faster than public finance does. Latin America's public tertiary education continues to depend overwhelmingly on central state funding—however inade-

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<sup>12</sup> In graduate education as well as in research funding, Brazil has led the way in public funding that is neutral between public and private tertiary sectors.

<sup>13</sup> On enrollments and growth, Daniel Levy, *Higher Education and the State in Latin America: Private Challenges to Public Dominance* (University of Chicago Press, 1986), translated as *El estado y la educación superior en América Latina: Desafíos privados al predominio público* (UNAM /FLACSO/Porrúa, 1995). On institutions, Garcia Guadilla (2000: 20) ; from 1980 to 1995 232 private universities opened versus 51 public ones, and the private lead is more in non-university institutions, and one expects these trends to continue, perhaps accelerating. Private institutions hold a majority of the enrollments in the non-university sector, a sector holding over one-third of total tertiary enrollments.

quate that funding is. Income from other public sources and from private sources remains the exception much more than the rule.

Even private tertiary education remains problematic in reference to a pluralist agenda, at least beyond the major point of how a privately funded private sector alongside a publicly funded public sector obviously means a much more plural financial base than would otherwise exist. Few private institutions have a dynamic income profile that mixes public in with private finance. More, but still only a small group, manage to attract a diversity of private sources.<sup>14</sup> Innovative state measures in tax policy and other private-public financial collaboration remain rare; although it is difficult to generalize in global comparison, it does not appear that Latin America is a leader in this respect the way it has been in the expansion of privately funded private tertiary education.

Clearly, then, a pluralist reform agenda requires for Latin America much more private funding for public tertiary education; arguably for both public and private sectors, it requires a great broadening of public finance beyond central ministry funding and of private finance beyond tuition. Additionally, the private-public mixes would vary not only by tertiary sector but also by tertiary function.

A salient contrast is between academic leadership on the one hand and both professional and technical functions on the other.<sup>15</sup> Usually, professional and technical tertiary education are good candidates for the reform agenda's emphasis on increasing the private contribution though tuition and other individual payments, along with artful collaboration from benefiting employers in a lifelong education perspective. One route is continued expansion of private institutions; that leaves the more difficult issue of how much reform to insist upon within the public sector, which retains more than half the tertiary enrollment. Private and public loans have a role for access and equity. Public loans, along with subsidies, could be prominent in a Latin American future of general tertiary education associated with public benefits (e.g., a more informed citizenry) that go beyond individual benefits. At a quite different extreme, for-profit finance is an option especially for the individual benefits that accrue from technical and professional tertiary education.<sup>16</sup>

In contrast, academic leadership is where a pluralist agenda must be most clearly distinguished from a privatizing or narrow financial agenda. First and foremost, this function requires much more ample funding than presently provided. Second, most of that funding would continue to be public. Most top scientific and related technological research, faculty, scholarly graduate education, formidable laboratories and libraries, and so forth are in public institutions (universities and special research units). Even where such activity occurs in private institutions, there is usually a need for various types of public funding, direct or indirect. This is largely because of the high costs of true academic leadership and the fact that much of the payoff lies in public benefits and externalities. Furthermore, Latin America must make this ample public funding largely stable, at least for the receiving public institutions.

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<sup>14</sup> Latin America's leading private universities have gotten some important finance from businesses, yet remain more tuition-dependent than at least some of the experiments with building private academic leadership universities in countries like Turkey.

<sup>15</sup> The indicated financial contrasts of course blur where the functions blur, as where the latter two functions lead more to public benefits than benefits direct to the individual (e.g., with technological research for national development).

<sup>16</sup> We largely leave for-profit financing aside here as outside the typical Latin American normative and legal framework. However, for-profit institutions outside tertiary education can be on the agenda for increased investment in both private nonprofit and public tertiary education. Furthermore, there are global examples of for-profits in each of the four functional areas—though overwhelmingly in technical-vocational tertiary education. Finally, one route to for-profit institutional penetration in Latin America is through foreign-based institutions operating through distance technology or local campuses or affiliates.

None of these points should degenerate into easy entitlements. On the contrary, heavy and steady public funding is realistic only if it is restricted to institutions that truly perform academic leadership. In Latin America, many universities claim to do so but few do so in fact. Or they do so only in a few of their units. Ample public funding must be targeted public funding, whether to units inside selected universities or to units outside, including excellent public and private research centers.<sup>17</sup> Though funding must be largely stable, it must follow high performance proven through a marketplace of academic competition. The reality, however, is that Latin America gets far too little financial supply to places that do or could reach academic leadership. This is because there is too little funding and because too much of the funding is spread out to places that do not and cannot realistically achieve academic leadership.

Although most funding for academic leadership must be public, the reform agenda requires vast increases in private funding as well. Except for tuition at private institutions, such private funding has been paltry in Latin America. Clearly this financing is inadequate for a set of private universities to break through to academic leadership, but even public institutions require corporate, philanthropic, and other private funding to increase both the volume and the dynamic, competitive nature of financing. The odds of reformed finance reaching both the levels and dynamic nature required for academic leadership would be greatly enhanced by innovative private-public collaborations in which public finance stimulates private finance and private finance stimulates public finance. Latin America lags in these respects and in related ones about dynamic private-public funding mixes for other tertiary education functions as well.

## RESOURCE UTILIZATION

### Global Agenda

Linked to matters of financial source are matters of resource utilization. A more appropriate private-public mix of finance is thought to stimulate more targeted, dynamic, efficient, equitable usage that should also boost performance.

A crucial element in the global agenda is great reduction of common patterns of state funding associated with a state control model. This means movement away from micro direction of how funds are spent. It means providing lots more autonomy to institutions.

But even much more than for financial source, the resource utilization agenda goes beyond reduction of state action. In fact, defying stereotypes of privatizing neoliberalism, it is largely about strategically increasing the state role. Thus, *a state that shrinks its proportional contribution to tertiary education's income becomes more influential in the utilization of that income.*

Fundamental is abandonment of assumptions that financial inputs automatically lead to adequate outputs. This means then that subsidies should not be automatically given. It means abandonment of principles of *homologación*, wherein all receive by right the same subsidies, salaries, rules, and so forth. Instead, true *differentiation* linking performance to institutional and functional dimensions means that outputs should be evaluated against standards, and funds should reward productivity. Or they should incentivize desired productivity. Apt labels for a state role in such respects include the "evaluation state" in place of the "benefactor state," and "state supervision" instead of either a weak state or "state control."<sup>18</sup> Increased

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<sup>17</sup> The multiplicity of such centers contributes greatly to pluralism and many of the public ones are autonomous rather than closely state directed.

<sup>18</sup> Guy Neave, "On the Cultivation of Quality, Efficiency and Enterprise," *European Journal of Education* 23, #1-2, 1988, 7-23; José Joaquín Brunner, "Evaluación y financiamiento de la educación superior en América Latina: Bases

institutional autonomy comes with increased accountability to the state funder (exactly the key principle declared in President Bush's just-approved legislation for U.S. primary and secondary education).

Explicit or implicit in the reform agenda is the idea that such influential public funding is more likely to come from special agencies than from the core budget of the education ministry. The agencies operate with fresher funds (and perhaps more innovative personnel), less bound by the traditions, common rules for all, and political interests dominating central budgets.

Each of these evaluation state elements is consistent with pluralist principles that the state is neither invisible nor weak but, rather, influential as an actor pursuing its interests. However, pluralism means a state as one actor among others, and thus a pluralist model regarding resource utilization must go beyond the state focus of many reform agendas.

A key idea is there should be accountability for nearly all funders, not just the state. Private interests should finance training and research when they see desired results from that finance. Given that private finance is basically voluntary, there is even some supposition that its existence is naturally more conducive to accountability than is public funding that is largely committed or required. Institutions that are not accountable to the private interests cannot expect funds from them.<sup>19</sup> In turn, then, this notion of accountability is a rationale for mixing in more private financing, as with the idea that institutions are more responsive to paying students ("clients") than to non-paying students. On the public side, specialized agencies and even central ministries are asked to become more like private voluntary actors, tying more and more finance to accountability in resource utilization. This is a key principle where, for example, Europe's public non-universities increasingly incorporate funds and representation from industrial and commercial interests.

Another way in which the reform agenda essentially calls for public tertiary institutions to become somewhat more like private ones is in management and governance structures and practice. One key lies in institutional centralization. This means administrative leaders who make and monitor policies for the institution, insuring their efficient accountability to funders. True to a pluralist model, this centralization is intrainstitutional and, by promoting and protecting an institution's coherence, allows it to build and maintain a profile distinctive from those of another institution. So this is pivotal to viable inter-institutional differentiation.

What kind of regulation there should be is a natural and common policy question for pluralist tertiary education. A standardized system has common rules that supposedly guide action whereas a laissez-faire system allows unbridled voluntary choice; by contrast, regulation makes sense where a pluralist system allows public and especially private institutions to chart their course but allows the public or state to prescribe certain restrictions to that choice.<sup>20</sup> Regulation speaks again to a strong public presence within a pluralist model that in major ways tries to invigorate private dynamics in resource utilization.

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para un nuevo contrato." In Hernán Courard, ed. *Políticas comparadas de educación superior en América Latina* (Santiago: FLACSO, 1993): 45-86.

<sup>19</sup> A major debatable point is how much private tertiary institutions must be accountable to paying students in situations where demand is so great that the market is "easy" for suppliers.

<sup>20</sup> Regulation can thus aim to block a hyper-privateness in accountability wherein the responsiveness to payer or funder is clear but deemed too narrow or selfish for the public good. This is an especially raw concern regarding for-profit tertiary education. But to be faithful to pluralist principles, regulation should not go too far in blocking multiple goals, initiatives, and methods.

## Regional Progress

Latin America's progress on matters of resource utilization is broadly similar to that on financial source: breakthroughs in public tertiary education that, however exceptional, may light a path, and expansive yet insufficient correspondence to elements of the pluralist model through expansion of private institutions.

It is unclear how much autonomy has been enhanced at Latin America's public universities. Such reform is much clearer in Europe. That is largely because it had been clearer that Europe had more elements of state control, with standard national rules that left institutions with little autonomy to set distinctive paths or decide how to get and manage their resources. Though formally emulating much of Europe's norms and structures, Latin American reality has long involved much more institutional autonomy.<sup>21</sup>

Latin America's effort to link autonomy and accountability proceeds at a system level largely through accreditation (considered under the issue of knowledge output).<sup>22</sup> But the region's sharpest examples of linkage come with special agencies or special budgets. Argentina's FOMEC (Fondo de Mejoramiento de la Calidad Universitaria) has funded public university reform proposals, especially related to teaching. There are Bolivian and Chilean efforts to implement similar bodies, which Mexico has had in operation. Led by Brazil and other large nations with formidable science and technology councils (e.g., COLCIENCIAS in Colombia), more common efforts have provided incentives and rewards for quality research and related graduate education. Additionally, most countries have a reward structure to provide salary or other increments for productive professors. Unlike the FOMEC practice, some of these programs are sector neutral so that personnel and units within private tertiary education are eligible, even where basic annual subsidies from the education ministry go only to public institutions. This point holds for Brazil's leadership in tying funds to assessed performance at the graduate level.

In fact, the great majority of private tertiary institutions cannot compete effectively for such public funds. But even many of the academically mediocre private institutions have resource utilization patterns different from traditional public ones. They often have a centralized, efficiency-oriented management more like that of private enterprises than of the region's public universities. Accountability to paying students is shown in matters such as field offerings and speedier programs. This dynamic is sharp for some private institutions offering short courses and two or three year programs; Chile's *centros de formación técnica* are striking examples. For-profit providers perhaps push furthest in this direction, including through distance and adult education options. Alongside doubts about whether there is true service or deception (feigned accountability but resources directed for real or disguised profit), are criticisms that private institutions are too accountable to students or employers, surrendering the cherished university tradition of leading society rather than just responding to its lucrative incentives.

However one judges it, a variety of private tertiary institutions use their resources in ways that satisfy students, businesses, and religious institutions enough for them to provide further resources. There is some direct resource utilization accountability to financial source, whether or not there is accountability to a broad public interest; this Latin American pattern is basically consistent with pluralism. As in the issue of

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<sup>21</sup> Daniel Levy. "Mexico: Towards State Supervision?" in Guy Neave and Frans van Vught, eds., *Government and Higher Education Relationships Across Three Continents: The Winds of Change* (Pergamon Press, 1994): 241-63.

<sup>22</sup> An interesting example of a strengthened state hand against waste and other poor utilization lies in El Salvador's implementation of national law, 1995, which increased the state's ability to discriminate between serious and other institutions and indeed helped lead to the closing of some dubious programs and institutions. This bringing of greater transparency and order to a system in chaos is consistent with the pluralist concept of a sound state at the same time that it was a clamping down on abuses within private tertiary education. See the paper for this conference by Andrés Bernasconi.

financial source, so in the issue of resource utilization, the region's expansion of private tertiary education provides consequential sectoral and inter-institutional differentiation.

A related area of promising pluralist change involves public tertiary institutions that in certain important respects break with the traditional public university mold and partly emulate private tertiary practice. Of course the global reform agenda would have all or most public institutions pursue this course, and there is some progress in that respect, but our point here refers more to novel institutions. In the past, Colombia (Universidad del Valle, Antioquia, Universidad Industrial de Santander), Brazil, and Venezuela created public alternative universities to have more autonomy, aimed at more effective resource use, and for decades several of these institutions have distinguished themselves from the mainstream. Among the intriguing examples of the last few years are Mexico's Technological Universities, public institutions but, like U.S. community colleges, aimed at mixing private and public resources for direct accountability to local private and public interests. Indeed, the IDB has been exploring the feasibility of promoting such institutions elsewhere in Latin America.<sup>23</sup> All this shows that when it comes to resource utilization, there is precedent and intensified interest in true institutional differentiation that provides for fresh public-private mixes.

### Regional Problems and Needs

As with the issue of financial source, Latin America's accomplishments leave much undone in terms of a vibrant pluralist agenda regarding resource utilization. We focus here on the public sector (though of course considering public-private dynamics within it), leaving aside the controversy over efficiency and accountability of resource utilization in most of private tertiary education. Overall, as the IDB strategy paper asserts, far too little good use is made of public resources in most public tertiary institutions.

Where the state has reduced its proportional contribution to the total tertiary budget, it has not equally pulled away from rules too detailed, standard, and confining for pluralist institutional initiatives. Great concern for reform is still commonly visualized as a national, state-led and implemented process for the entire system. Major examples at least in every large country concern attempts, successful or not, for legislatures to pass detailed national laws for tertiary education. This is more central planning than pluralism implies.

Yet, however large the state remains in certain respects, it remains weak in insistence on improved resource utilization. The persistence of isomorphic laws and policies runs directly counter to principles of utilizing resources to reward and incentivize. And insofar as Latin American education ministries remain politically responsive to interest groups, where resource allocation moves beyond equal shares it does so less based on performance than on political strength. Funding based on performance indicators, contracts for performance, or other output measures remain the rare exception in public funding. Neither governments nor the institutions themselves have much data tracking their graduates onto the job market. What related data we do have suggests that only three countries have "graduate rates" over 40 percent, just one of many indicators of inefficiency.<sup>24</sup>

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<sup>23</sup> IDB, *New Options for Higher Education in Latin America: Lessons from the Community College Experience*. Forthcoming and on IDB website, and Claudio de Moura Castro, Andrés Bernasconi, and Aimee Verdisco, *Community Colleges: Is There a Lesson in Them for Latin America?* (Washington, D.C.: IDB Sustainable Development Department, Education Unit, 2001).

<sup>24</sup> García Guadilla (2000: 78) on graduate rates. An exploratory search by the IDB in 1998 indicated that few institutions even *claim* to do serious studies of their graduates, thus lacking information on jobs, student satisfaction, and so forth. Such a lack is inimical to pluralist principles of institutional centralization directed toward efficient competition with other institutions.

If a strong accountability loop is lacking between most public tertiary institutions and ministries supposed to represent society, the institutions have not usually established effective accountability loops with private funders. Whereas a major problem with public funds lies in poor usage, the overwhelming problem with private funds is insufficiency. Yes, there are examples of public tertiary institutions forging effective ties with business, but it also appears that long listings of partnerships exaggerate how typical or extensive these are.<sup>25</sup> Too often (as with private tertiary institutions as well) “accountability” to students means making things easy for them rather than providing them with quality education and skills. There is a vicious cycle in which private resources fall far short of what the pluralist model would have, yet utilization is not sound enough to attract greater resources.

Much of the difficulty in effective use of either public or private resources has to do with persisting governance patterns inside public institutions. Where centralized power exists it is often more for political than academic ends. But typically, *facultades* retain substantial autonomy at the expense of coherent institutional policymaking and resource management. Similar points hold regarding rampant electoral processes and myriad bargains with student, professors, and workers.<sup>26</sup>

Such problems must be addressed largely at the level of both governments and institutions. Crucial is increased ability, knowledge, and willingness to develop different rules and rewards for different functions. This is extremely difficult, given traditions, interests, and structures; it can be accomplished only as a matter of degree.

Public professional and technical tertiary education need to build more positive loops based on increased private funding and influence over matters like curriculum and staffing. Crucial is that these functions not be undermined by pressures to follow modes suitable only for academic leadership or general tertiary education. In comparison, just as it needs much more finance, so academic leadership requires ample autonomy. This means autonomy from a range of both public and private actors. Academic *leadership* means not being crippled by standardized state rules or immediate marketplace pressures. The guidelines are trickier to formulate for general tertiary education. It too requires some such autonomy with accountability that is not too direct but nonetheless is increased for all those who pay and even many who do not.

Meanwhile, advances in information and other technology available for tertiary education are in Latin America: (a) underutilized and (b) insufficiently thought out in terms of functional differentiation. We should note the institutional differentiation and innovation involving increased use of on-line, distance, and other novel delivery forms. As illustrated by the spectacular growth of the Instituto Tecnológico de Monterrey throughout Mexico, other Latin American countries, and even the U.S., this advance sometimes occurs through private initiative and institutions and outside the realm of central national planning, in pluralist fashion. Moreover, there are novel partnerships, including with businesses such as IBM. Yet these strides appear insufficient for a region desperately needing to employ new technology to use resources so as simultaneously to increase access, efficiency, and quality. For example, Latin America has none of the world’s ten largest tertiary distance institutions, even though most are in the developing world.<sup>27</sup>

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<sup>25</sup> Mónica Casalet and Rosalba Casas, *Un diagnóstico sobre la vinculación universidad-empresa* (Mexico City: CONACYT-ANUIES, 1998).

<sup>26</sup> Though not as perniciously as in Latin America, election of top administrators is common in Continental Europe but not in English-speaking countries, (OECD 1998: 78) and there is a European tendency towards stronger management and leadership processes.

<sup>27</sup> Task Force (2000: 31). For a broad consideration of technology and education (not just tertiary) in the region, see World Bank Human Development Network Education Group, Education and Technology Team, *Latin America and the Caribbean: Education and Technology at the Crossroads, Discussion Paper* (Washington, D.C., 1998)

There must be a major public role (including public-private partnerships) in web-based and other distance education at the tertiary level. This is true partly because part of the attraction of such technology involves an emphasis on access and efficiency. Such emphases apply especially to the mass-based tertiary functions: technical and general tertiary education. On the other hand, ongoing costs are often much higher than thought and so is the potential for clustering talent in ways suitable to academic leadership, perhaps regionally based.<sup>28</sup> Web and other technology should facilitate the global interactions crucial to Latin America's participation in the advanced international rungs of basic and applied research and training.

In sum, in resource utilization, as in financial source, private components need strengthening for the professional and technical functions but a revamped private-public balance is needed for each function. Common calls for "the" right system-wide type or amount of autonomy, accountability, regulation, institutional hierarchy, technological use, and so forth fundamentally defy a pluralist agenda that strives for functional as well as institutional differentiation in how resources are utilized.

## KNOWLEDGE OUTPUT

### Global Agenda

The production, dissemination, and application of knowledge mark of course the proper ultimate purpose of financial supplies and their utilization. Traditionally, perhaps the most common approach, or non-approach, to quality (including appropriate quantity) in these matters was to assume it would flow from proper configurations. In a state control model, that could mean imposing policies or simply specifying required standards. Alternatively, a benign funding model trusted in quality coming from autonomous universities. Disappointed over the results in fact, reformers around the 1980s looked largely to revamping the role of finance aimed at quality. Global agendas sometimes made this seem like the magic solution: get the finance source and use right and quality output will follow. That was quite a change from earlier reform approaches that emphasized academic matters such as building full-time professorates, expanding libraries, and launching graduate education. All these approaches remain but today we see much greater attention to quality as something that must be studied and altered in its own right. It cannot simply be assumed to result from any magic input.

On the other hand, frankly, much of the global "agenda" regarding knowledge output is merely a statement of importance, needs, and present inadequacies. Countries must improve their staff and pedagogy, expand front-line and applied research, modernize curriculum, and so forth. Such statements make the political case that tertiary education is crucial and needs to achieve better output. But what are the strategies and perspectives that guide the pursuit? Here we highlight some connections to the fountain and use of resources and, of course, to pluralist public-private dimensions.

The knowledge economy (or knowledge society) may be the new mantra. It suggests a very broad range of beneficiaries for tertiary education to serve (and, in return, get nourished and guided from). Pertinent to our theme, these beneficiaries are both private and public: students, employers, non-profit agencies, varied public agencies, the state, and in vague, overlapping private-public terrain, society. Also importantly, the focus is interactive and outward looking. This contrasts most starkly with an "ivy tower" of university isolation but also with the idea that universities should mostly produce what they see fit, trusting that to indirectly benefit others. Similarly, it is no longer sufficient to produce scientific and technological capacity; "national innovation systems" must produce tangible returns. Notably, from a pluralist perspec-

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<sup>28</sup> For information on costs, opportunities, and needs, see Gregg B. Jackson and Sonia Jurich. *Web-Based Distance Learning in Latin American and Caribbean Tertiary Education: Opportunities and Threats* (Washington, D.C., IDB unpublished paper, August 11, 2000). The authors make policy suggestions, including region-wide experimentation, but also caution against seeing web-based learning as a magical, inexpensive route to access and quality.

tive, these systems are defined as networks of private and public sectors. In fact, the knowledge economy agenda often has a commercializing aspect that pushes kinds of privateness, though a pluralist model would emphasize both public and private benefits and mixes between the two. So perhaps the private flavor is less a matter of hoisting private over public than of highlighting both whereas, traditionally, many regarded knowledge as fundamentally a public pursuit, especially in its basic production.

Increased evaluation is all the global rage, including the United States, which has a considerable history of it. Accreditation systems thus spring up from Russia to South Africa while U.S. states introduce an array of “performance indicators.”<sup>29</sup>

For pluralist principles there is a danger that national accreditation and evaluation systems are too centralized, insufficiently attuned to the needs and roles of very different types of institutions-- especially private ones--and different functions. A pluralist agenda very much promotes the idea of increased evaluation, but stresses the multiplicity of evaluations by a range of public and private actors, each with its own goals and interests. “Quality” then has subjective as well as objective components.

Moreover, quality output comes in many different forms. General, technical, and professional tertiary education each has appropriately different outputs, each largely different from quality as conventionally defined along academic leadership lines. Quality is then best defined as “value added” on any of many legitimate dimensions.<sup>30</sup> A pluralist perspective is particularly wary of the tendency of national accreditation and evaluation systems to attempt to assess quality from lower to higher on one set of criteria, even a complex set. It is wary of the tendency of such agencies to become coercive vehicles controlled by certain interests that impose criteria about highest quality where these criteria are either impossible or not crucial in what much of tertiary education legitimately pursues. On the other hand, a pluralist perspective supports the idea of the accumulation and dissemination of data about varied performance to a broad range of public and private actors.

### Regional Progress

Since the global agenda on knowledge output is vague as well as broad, it is harder to gauge progress here than on the prior issues, especially financial source. Whatever the quantitative output, matters of application and quality are elusive. An unduly negative portrayal for Latin America is common where reality is compared to the agenda’s goals; more damning are empirical comparisons with other regions, especially East Asia, as on scientific productivity. Nonetheless, the section on resource utilization has already identified progress on matters such as rewarding and incentivizing quality performance with special public funds for science and technology, research, and teaching. We now quickly add a sketch of ways in which Latin America’s tertiary education has provided knowledge for a range of private and public interests.

Regarding private interests, the region’s good universities have long provided practical knowledge for the exercise of private professions. Medicine is perhaps the quintessential example of knowledge useful to individual students and, through them, to society. And though critiques have made much of over-enrollment in traditional fields, the fact is that over the decades Latin America has fundamentally reoriented fields, with major enrollment in commercial fields in public and especially private institutions.<sup>31</sup>

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<sup>29</sup> Joseph Burke and Thomas Freeman. Performance Indicators at SUNY and in New York: Where Have We Been? Where Are We Going? *Assessment Update* 9, #1, 1997.

<sup>30</sup> The author’s views on defining, gauging, and promoting quality are elaborated in another IDB work: “La calidad: Vino viejo en botellas nuevas,” in *La educación superior en América Latina*, ed. Samuel Morley and Salvador Malo (IDB-UDUAL, 1996): 133-178.

<sup>31</sup> On the private-public figures by field as of the mid-1980s, Levy (1986: 268-71). Figures for ten years later (García Guadilla 2000: 44) show that among eight field categories, the greatest share is in social, juridical, and commer-

Surely there are some positive effects for businesses and the economy. And crucial is the development of sound non-university institutions, such as Brazil's National Industrial Training Services (SENAI). Private "rates of return" are high for Latin America's tertiary education region's students, though those returns are inflated where students attend public institutions tuition free.

Accomplishments can also be identified in knowledge for public interests, allowing that delineation between knowledge for private and public interests is inevitably somewhat blurry and artificial—and becomes more so as the new political economy meshes public and private interests so much. Especially given its phenomenal expansion, Latin America's tertiary education has contributed to a more knowledgeable citizenry. Alongside some dramatic instances of contributing directly to democratization, it has indirectly built a citizenry expecting democracy. It has contributed to social mobility and middle-class growth. Many universities perform important roles in social service, health, culture, and intellectual leadership. They also provide high-level talent for government agencies. Social rates of return appear high, even though lower than private rates. All this has occurred through knowledge production, dissemination, and application.

Special interest attaches to accreditation because it explicitly aims at quality in knowledge output and because it has grown from very limited to the general rule in Latin America. As in so many other reforms, Chile has been among the leaders, though it has experienced many zigs and zags in implementation. But Colombia and other countries show progress as well as concern to deal with a proliferation of institutions of dubious quality. Weight has been given to features such as self-study, which help provide a pluralist flavor of bottom-up decentralization linked to the emergence of influence from the center. Often, in pluralist fashion, private institutions have pioneered in accreditation, sometimes obtaining it from foreign agencies before the advent of national public agencies.

### Regional Problems and Needs

But these strides represent only part of the picture. Indeed, as we have seen repeatedly in this paper, it is difficult to divide Latin American reality between progress on the one hand and deficiencies on the other. The two go hand-in-hand where we can identify progress but it comes up short of what is on the reform agenda, especially where it remains confined to a minority of productive or enterprising institutions or units within them. So we can cite important strides and still conclude that Latin America is far from being in good shape on the global knowledge output agenda.

Nearly all the items on the "old" agenda for knowledge output remain not only unfulfilled but, arguably, as atypical in practice now as they were several decades ago. That is, they are much more common today but proportionally have not increased. This is because so much of the great expansion and diversification in Latin American tertiary education has occurred without the desired quality features. A widespread suspicion is that *average* academic quality has declined (though a pluralist perspective must be sensitive to new and different types of quality in matters like dissemination and application). Thus, we should simultaneously credit progress where achieved and realize that it stands against a mass that is mediocre at best. Examples include building full-time staff, world-class research, national and regional centers of excellence, laboratories, international scholarly endeavors, and so forth. Latin America needs much more of all these, which also means there is much validity still in the classical agenda of reform agencies a half century ago.

Regarding items added to the new quality agenda for a knowledge economy, Latin America trails in matters like national innovation systems and retraining for lifelong advancement. It continues to trail in sci-

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cial studies; and those 29 percent could be added to 12 percent in economics and business. Such figures confirm the commercial trend found earlier and also show the enormous plural differentiation in fields of study.

entific research (especially outside Brazil, Mexico, Argentina, and Chile) and is part of the reality of *growing gaps* between the less and more developed worlds. For all its enormous tertiary expansion, only about 13 percent of the region's population has tertiary education.<sup>32</sup> Latin America trails in dynamic private-public partnerships to enhance quality in production, dissemination, and application. As the IDB's strategy paper on science and technology details, measures of quantity, quality, and relevance show a basically disturbing profile for the region.<sup>33</sup>

Our identification of knowledge output for private and public interests must therefore be balanced by identification of deficiencies in that output. Especially as low-quality public and private institutions have proliferated, there is the inadequate preparation students get for the increasingly competitive and penetrating global economy. Whatever the contributions of some private institutions to choice, flexibility, efficiency, and job relevance including skilled positions in private and public employment, most private institutions are academically weak, many dubious. This is not just a matter of judging them by alien academic criteria; it is also a matter of many of them merely copying dated curriculum, pedagogy, and structures from other private and public tertiary institutions.<sup>34</sup> In such cases, the pluralist faith in private innovation is thwarted. At least for academic leadership, technical, and general tertiary functions, the deficiencies in knowledge output are grave in the region's private and public institutions alike.

Regarding evaluation and accreditation, it is too soon to make definitive judgments on the balance between the quality gains achieved and problems caused by Latin America's new systems, just as it is in Europe (where much more study has been done). In countries like Colombia, sensitivity has been shown to the need for differentiation; whether sufficient accommodation has been made depends largely on one's pluralist versus more centralized reform agenda. Clearly, Latin America has much to do to simultaneously expand evaluation and revamp it for greater adhesion to pluralism.

The idea of expanded evaluation is popular, though resistance remains strong from the region's institutions, professors, and others when concrete provisions threaten interests.<sup>35</sup> Regarding revamping evaluation, we must highlight several points pivotal to pluralism that go against certain centralizing and system-

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<sup>32</sup> On the growing gaps between more and less developed regions, see World Bank' *Constructing Knowledge Societies*, op. cit., and José Joaquín Brunner, *Investing in Knowledge: Strengthening the Foundation for Research in Latin America*. Ottawa: IDRC, 1991. On the 13 percent figure, García Guadilla (2000: 125); the same source reports (pp. 60, 140, 144) that there were fewer than 25, 000 doctoral students in 1994, that less than ten percent of even public sector professors had doctorates and shows that, at most, perhaps one-fourth of Latin America's professorate of then almost 700,000 were full-time. And full-time labels are often more nominal than real.

<sup>33</sup> IDB (2001) finds slow growth in productivity, expenditures under 1 percent of GDP, with some countries under 0.1 percent, versus an average of 2.3 percent for the world's developed countries, and weak links with the productive sector, while tertiary education does too little particularly with small enterprises. The authors note (p. 24) that both first-degree and graduate education are crucial to the region's science and technology but performance is too weak. Some of the suggestions for science and technology involve more system-wide approaches than seen in our pluralist agenda for tertiary education, yet it is always properly a balance and it seems sensible that greater central policy is required for the science and technology component.

<sup>34</sup> Claudio de Moura Castro and Juan Carlos Navarro, "Will the Invisible Hand Fix Private Higher Education? 45-64, and Daniel Levy "When Private Higher Education Does Not Bring Organizational Diversity: Argentina, China, Hungary," 15-44, both in Philip Altbach, ed., *Private Prometheus: Private Higher Education and Development in the 21st Century* (Greenwood Press: 1999), translated as *La mundialización de la educación superior privada*, Mexico City, CESU-UNAM.

<sup>35</sup> Some of these interests might oppose evaluation of professors and curriculum by students. Student evaluation has long been potent in the United States and it is increasing in OECD countries (OECD 1998: 73). It is quite consistent with pluralist belief in multitudinous evaluations. Thus, even though a pluralist agenda for greater institutional centralization to utilize resources better would contemplate diminished political influence by Latin American student groups, student influence on academics could increase if Latin America would follow the OECD trend.

wide tendencies, but do not go against evaluation. Compared to Latin America's present practice, a pluralist future requires much more evaluation but evaluation from multiple sources, public and private, using their own interests, criteria, and methods, and having their own means of responding to performance that suits them.<sup>36</sup> The increased role would include national agencies and the state since at least until recently this role has been rare. In fact, honoring a kind of pluralist wariness of central coercion, some Latin American countries have striven to establish national accreditation bodies run not directly by the state but rather by public autonomous agencies. Others have started with the state with the idea of shifting to more autonomous agencies.

Also consistent with pluralism, these burgeoning national bodies have not generally precluded other evaluation, including accreditation by other bodies, be they domestic professional associations or international agencies. In this connection, pluralists would tend to resist Latin America's rising nationalist pleas to block either international accrediting agencies or foreign providers, be they through distance, affiliated partnership with domestic providers, or other modalities. On the other hand, pluralism allows selective blocking and approval.

Instead, the dangers to pluralism brought by Latin America's burgeoning national bodies are mainly twofold. One is a goal of tying evaluation back to resource allocation. Such a goal is in fact consistent with pluralist principles for both resource utilization and knowledge output if it is limited to a share of funding. Otherwise it comes too close to an "evaluation state" that is too centrally powerful and coercive, undermining pluralist choice and variation. In any event, this is a danger that probably lurks more in the zealous reach of certain Latin American reform plans than in much implemented policy to date.

The second danger, however, already places Latin American practice at odds with pluralist principle and threatens to do so more. National agencies sometimes wield too many criteria nearly system-wide. As in Colombia, a modification sensitive to institutional differentiation is having a separate set of criteria for universities and technological or technical institutions. But two or three sets, and certainly just one, mean insufficient attention to institutional and functional differentiation. A key consideration is the incorporation of private institutions, which has been mixed across countries. Pluralist principle would have privates subjected to only certain national criteria.<sup>37</sup> This approach is consistent with pluralist principles about private financing and sound resource utilization when practice is responsive to those who pay. The principle also allows the evaluation state to grow in regard to public tertiary education without leading to excess system-wide rules.

A pluralist feature of Latin American accreditation has been the presence of many accreditation agencies that deal with particular professions. This is pluralist in the sense that the agencies are sometimes multiple, so that they offer choice, and are more private and voluntary than growing national agencies for institutional accreditation. A further pluralist sense comes in that the agencies are tailored to the needs of tertiary's professional function, rather than pursuing criteria for tertiary education inclusively. However, this point is threatened where national accreditation agencies—often influenced by public university and research interests—promote criteria that clearly favor their own programs and students, including in rules

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<sup>36</sup> The primary "response" of most to performance that does not suit them is dissociation. This is quite different from more centralized forms of evaluation, which have greater coercion and seek to repress performance they do not approve or somehow drive it toward the central evaluator's views. In a pluralist model, different performance suits different actors.

<sup>37</sup> One common struggle involves private institutional representation or even the representative of private business or other outside groups. However much such representation broadens pluralist process, pluralism is still undercut if the national agencies ultimately impose standard criteria, even if these criteria reflect a political compromise. The result still hampers a pluralist marketplace of different mixes of knowledge production for different purposes and interests, all accomplished through both institutional and functional differentiation.

on hiring of graduates. Another problem occurs where they impose—with whatever noble intentions—criteria best suited to academic leadership. Indeed, the imposition of such criteria is a profound danger to all functions other than academic leadership. Nor is it clear that it is fundamental for academic leadership, though it can help if it rests largely on self-study. For one thing, detailed national systems threaten the needed autonomy of academic leadership, possibly making it too directly responsive to public officials or the marketplace. For another, those rare places achieving true academic leadership maintain and improve their knowledge output through a variety of peer-based, competitive evaluation mechanisms, such as refereed journals. Here, allowing space for accreditation through prestigious scholarly agencies abroad is crucial, as are a range of international ties. This range includes the penetration of foreign universities that bring their standards, curriculum, etc., as when Harvard Business School comes to Buenos Aires, just as leading U.S. MBAs have moved globally. As in the general economy, national protectionism is no recipe for improvement of quality outputs.<sup>38</sup>

National accreditation agency imposition of academic leadership or other alien criteria is particularly dangerous to pluralism in regard to Latin America's technical, vocational, commercial tertiary education. Evaluation there is presently weak insofar as it comes insufficiently through a competitive marketplace and as formal national accreditation tends to distort curriculum and misallocate resources, also blocking the rapid adjustments needed to the marketplace. Injurious to Latin America's functional differentiation, this is also injurious to its institutional differentiation, precisely for those institutional forms that have proliferated to meet greatly expanded demand and that need to continue to grow to meet coming demand and to do so efficiently, without excess public subsidization.<sup>39</sup>

Instead, where Latin America most needs to invigorate national accreditation systems is in its general tertiary education. Even a strengthening of the evaluative mechanisms suitable for other functions will leave the region where it presently is in its inability to monitor and enhance quality output for general tertiary education—this function that is potentially so large yet so little understood. Here two points are crucial but vulnerable to misguided Latin American proposals that over-reach. One is allowance for variation especially for private institutions. The other is guarding against imposition of criteria that equate quality with the quality best associated with academic leadership. In other words, a broad challenge for Latin American accreditation and evaluation is especially keen for its general tertiary function: evaluation must increase but without any mechanism suitable for one function or institution distorting the crucial activities of others.<sup>40</sup> All this is difficult for a region retaining deep isomorphic norms and practices, but those norms and especially those practices have never been the whole story of Latin American tertiary education.

Latin America's contemporary emphasis on accreditation and evaluation is welcome, indeed necessary. Unless it is sensitive to the challenges of diversification, however, it holds potential for harm as well as improvement. In any event, is important to avoid excess faith and over-reliance on any new tool. No sys-

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<sup>38</sup> Concerns arise where international providers do not insist on the same standards for their local franchises as they do for their home institutions (Task Force 2000: 43) but a pluralist view might accept some difference in standards, just as it might accept or even favor some differentiation in curriculum, hiring, fees, and so forth.

<sup>39</sup> For further interesting reflections on improving Latin America's evaluation, see Lewis Tyler and Andrés Bernasconi, "Evaluación de la educación superior en América Latina: Tres órdenes de magnitud." Development discussion paper no. 700, Harvard Institute for International Development, May 1999.

<sup>40</sup> See Cludio de Moura Castro, *The Stubborn Trainers vs. the Neoliberal Economists: Will Training Survive the Battle?* (Washington, D.C.: IDB, Sustainable Development Department, Education Unit, 1998).

<sup>40</sup> Of course, the pluralist sense is not that there is any one neat, objectively proper mode of evaluation for any function. Instead, there is a mix for each and the mixes overlap the functions, but the key modes and the balances must differ greatly by function, just as they must differ by institutional type.

tem of evaluation will light a magic route to enhanced knowledge output. Instead, various kinds of evaluation must be coupled with various other means to achieve such output.

## CONCLUSION

In each policy concern highlighted in this paper—financial source, resource utilization, and knowledge output—Latin America has achieved or at least initiated tertiary education reforms involving increased pluralism. This point is often missed both because reform is under-estimated and because much reform has occurred outside the central planning processes many associate with dramatic reform, indeed outside an articulated national vision of where the system is moving. Put another way, Latin America has more pluralism in tertiary education in fact than it does in normative and other self-conceptions. For many, pluralist development is lamentably chaotic. But however one evaluates it, change proceeds in mostly pluralist directions.

Yet in each of the three policy concerns, Latin America shows gaps or insufficiencies in the sort of pluralism envisioned globally for tertiary reform. Without reciting all the paper's points related to both the expansion and limitations of the region's tertiary education pluralism, our concluding section highlights key findings regarding the shifting private-public mix, a mix crucial to pluralist change.

The great private expansion in enrollment is a major example of where pluralist change is underestimated, partly because this expansion has been generally unplanned nationally and unanticipated. It has, however, proven to be a diversification crucial to the region's continued ability to expand tertiary education. Because the private institutions are overwhelmingly financed with private money, they make for a huge shift in the relative private-public financial mix. They likewise change the private-public dynamics of resource utilization and alter the knowledge output mix and its service to different blends of private and public interests.

Another sort of increased privateness mostly compatible with pluralism is harder to pinpoint. This is the growth of private finance, management, and service from within public tertiary education. It is part and parcel of a global trend toward kinds of relevance and also commercialism or a new managerialism. It is also part of a fresh private-public interface and inter-penetration in the overall political economy. This increased privateness of public institutions is vital to Latin America's fit with a global reform movement. But, compared to the region's expansion of private tertiary education, this privateness remains sporadic. Most public tertiary institutions show more continuity than change in financial source, utilization of their funds, and knowledge output. This leaves them far from the future articulated in the global reform agenda.

It is crucial not to equate a global agenda—even one highlighting pluralism—simply with elevating private over public. On the contrary, we have seen where a pluralist model envisions a stronger public role, broader and otherwise reformed private activity, and novel private-public partnerships. In reality, the Latin American state has too seldom provided adequate resources and protection for expensive academic leadership with major public benefits. It has too seldom been influential in encouraging further resources for tertiary education, guaranteeing accountability linked to performance, appropriately regulating private tertiary education, and so forth. It has been entirely too feeble or unconcerned to recognize and differentially incentivize varied performance across an array of different institutions and functions. Breakthroughs are promising, as they are for a variety of decentralized public agencies, but they are far from the common practice. Meanwhile, private tertiary institutions are mostly too particularistic, with narrow financial and performance profiles, and there is too little dynamic partnership with public entities. Private institutions often operate in markets made easy by the great expansion of demand for tertiary education, so that even mediocrity is adequate for persistence, often for profit.

Thus, Latin America continues to experience tertiary expansion and especially diversification that are notably but quite incompletely consistent with dynamic pluralism. The expansion itself is often largely unplanned and exceeds expectations. In turn, so is much of the institutional and functional diversification—which in fact constitute major responses to the challenges of the expansion. Mammoth enrollment growth, and the accompanying costs and outlets for fitting in with socioeconomic change, would be nearly unthinkable without the enormous diversification.

To meet the challenges of still further enrollment expansion, Latin America will need still further institutional and functional diversification, including with technological innovation in delivery systems. Increasingly, however, it needs not just growth in all these respects. It also needs a much greater appreciation of the nature of the various forms of diversification and a much keener sense of their quite different needs and abilities to perform well. Such appreciation must translate into public policy that is itself more sensitive to these differences but also to the idea of what it should try to influence and what it should not impair. Such appreciation must translate into policies attuned to a variety of contrasting private and public mixes, including those where one predominates over the other and those where ample and mutually reinforcing private and public action is indicated.

APPENDIX 1: FOUR FUNCTIONS IN TERTIARY EDUCATION

<b>FUNCTION</b>	<b>Definition</b>	<b>Needs</b>	<b>Performance</b>
ACADEMIC LEADERSHIP	High quality research, teaching, and extension according to conventional international academic norms. Trains the intellectual elites.	Substantial public funding with a minimum of direct and invasive external accountability. Autonomy. Peer-based evaluation.	Too little of it but much more than formerly. Occurs both within and outside universities. Poorly delineated from other functions and inadequately protected within multifunctional institutions.
PROFESSIONAL WORK	Prepares for specific job markets requiring advanced formal education and for related tasks in research and extension.	Governance and funding mechanisms should be largely labor market oriented, including ties to professional associations. Individual certification desirable. Teachers sometimes need more practical experience than advanced academic education.	Traditional strength of the region's higher education. <i>Drift into quasi-professional.</i> Prone to rigidity and narrowness. Obsolete curriculum. Some model extension programs and good applied research.
TECHNICAL TRAINING AND DEVELOPMENT	Short programs of practical skills-based training for middle-level positions in the labor market and, along with pertinent research, for a nation's technological development.	Governance and funding mechanisms should be primarily labor market oriented. Flexible management and curriculum.	Expanding, but too small as a proportion of the whole system. Tendency to mimic conventional higher education. Insufficient practice built into the curriculum and insufficient research.
GENERAL HIGHER EDUCATION	Teaching in what are called professions, but whose labor market is saturated or ill-defined.	Costs need not be high. Leading concepts of quality ought to be value added, along with efficiency. Accreditation should play the main regulatory role.	Programs would be much more useful if designed for general education. Much is low quality and some value added rarely means sufficient value added.

Source: IDB, *Higher Education in Latin America and the Caribbean: A Strategy Paper*. (Claudio de Moura Castro and Daniel Levy., Washington, D.C.: IDB, Sustainable Development Department, Education Unit: 1997, p. 19).