

The Chameleon's Agenda

Entrepreneurial Adaptation of Private Higher Education in Mexico

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Among the most significant drivers of the reconfiguration of worldwide higher education systems are a variety of processes that have been categorized under the broad rubric of *privatization*. Within the realm of higher education, privatization has neither an unequivocal definition nor absolute and delimited characteristics. Its description and analysis entail multiple dynamics, with considerable complexity, particularly when placed within temporal and spatial frameworks (Dolenec, 2006; Geiger, 1988; Slaughter & Leslie, 1997). Mexico serves as a useful case for the study of privatization in higher education. This chapter looks at Mexico's transformation from an eminently public system to an increasingly private one. In this chapter, we seek to understand a number of diverse strategies that have driven privatization of higher education in Mexico and to place those strategies in a global context.

Perspectives on the Privatization of Higher Education

The privatization of public higher education institutions has followed a path somewhat different from the privatization of other state-controlled enterprises (Maldonado, 2004). Several authors note that rather than opening universities and their services to market competition, as was the case in other types of privatization, the opposite has occurred: The norms and managerial practices of market competition have been instantiated within the systems, institutions, and processes of higher education itself. 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). The privatization process is composed of a range of operations that share a set of normative beliefs and a discourse: The pursuit of quality, efficiency, effectiveness, accountability, and responsiveness, among other demands, is presumed to improve the competitiveness of the sector as a whole, of institutions and their functions, and even of the key actors, such as faculty and students, who enact the essential functions of higher education (Brunner & Tillett, 2005; Etzkowitz, 2004; Ibarra-Colado, 2007; Moles Plaza, 2006; Renault, 2006; Teixeira, 2004).

In one sense, these dynamics can be understood as the *marketization* of higher education, a term that refers to 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. In essence, market relations will determine the existence of higher education. Indeed, marketization proceeds from a set of policies that demand that universities define their actions based on market relations. The objective is that resources assigned to institutions, programs, research projects, and faculty salaries should be allocated based on competitive assessments of the utility and productivity of those actors who participate in the field of higher education.

Complementing this perspective, other analyses of privatization center on the transformation of normative understandings of the public-good character of higher education (Marginson, 2005; Pusser, 2006). This scholarship links the prioritization of private goods over public goods to the reduction in public support and the substitution of such alternative funding sources as increased tuition, the sale of products and services—including teaching, research and outreach activities—and the introduction of fees for services such as exams, the use of facilities, foreign-language courses, and Internet access, among others (Bok, 2003; Noble, 2002; Poon, 2006; Rhoads & Torres, 2006; Slaughter & Rhoades, 2004). One vehicle often cited as central to this process is the outsourcing of public higher education services to private providers (Newman, Couturier, & Scurry, 2004; Pusser & Turner, 2004).

Several empirical studies have looked at the growth of the private higher education sector globally. Two aspects stand out from these analyses: the rise of the private sector, and the processes of differentiation, diversification, and stratification (Altbach, 1999; Holzhacker, Chornovian, Yazilitas, & Dayan-Ocher, 2009; Varghese, 2004). Other studies have linked the imposition of neoliberal state policies and the increased presence of private providers—including transnational corporations—in higher education (Didou Aupetit & Jokivirta, 2007; García Guadilla, Didou Aupetit, & Marquis, 2002; Knight, 2006; Levy, 2006; Machado dos Santos, 2000; Rodríguez Gómez, 2004). In

some cases, these analyses have found a deterioration of academic quality due to the private sector's focus on a set of programs and educational goals that is far more limited than those traditionally found in public and private nonprofit institutions.

This chapter discusses a specific aspect of the privatization process in Mexico: the reconfiguration of the private higher education sector. Our analysis begins with the hypothesis that private providers respond rapidly to the agendas of government agencies by adapting to the emerging rules but also by restructuring opportunities. This process has two dimensions. One of them is a consequence of the space created in the higher education arena as the state reduces its support for public higher education, opening greater opportunities for increased private participation. Yet while the state reduces direct provision and subsidies for the public institutions, it doesn't relinquish control. Thus, we also turn attention to the ways in which the second dimension of the privatization project is revealed: the ways in which the 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 aspect of privatization—the reconfiguration of the higher education space to privilege the private segment—involves a constant negotiation of interests (between the state and the private providers) that unfolds within a framework of multiple pressures and interests: public universities and other public institutions, the agendas of political parties represented in congress, and the positions of domestic business groups, public opinion, and academic debate, just to mention a few.

This chapter is presented in three parts. First, we describe the growth of the Mexican private higher education sector in the context of university growth and change that took place between 1970 and the present day. The second portion turns attention to the negotiation process between private universities and the government regarding curricular adoption and accreditation standards. Finally, we explore some of the implications of the business restructuring of private higher education institutions.

Growing Presence of Private Higher Education in Mexico (1970–2010)

The 1970s represented a decisive stage in the evolution of Mexican higher education, characterized by a remarkable expansion of the system. During that period, the number of students, faculty, staff, and facilities multiplied at an unprecedented rate. Several factors explain this trend: the construction of legitimacy through higher education after the bloody events that took place in 1968 in Mexico; an economic policy that favored 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, among others.

During the 1970s, the student population enrolled in undergraduate programs more than tripled, increasing from approximately 233,000 in 1970–1971 to 731,000 in 1979–1980. The private segment of higher education also experienced a wave of expansion. In 1970, the private segment had a total enrollment of approximately 38,000 and, by the end of the decade, it totaled approximately 117,000 students. The creation of new private higher education institutions (HEIs) and the growth of existing institutions accounts for a significant portion of this expansion. Whereas during the 1960s only 8 new private universities were created (6 of them during the last 3 years of the decade), during the 1970s that figure climbed to more than 20 new private universities.

This stage of growth and educational innovation came to an end at the beginning of the 1980s, when a new cycle started. The most prominent characteristics of this new phase would be the diversification of educational offerings and the transition from planning models based on budget allocation for programs to the allocation of resources based on formulas for productivity and performance incentives. Growth and academic renewal, the two fundamental instruments of educational policy during the 1970s, would no longer be the primary forces shaping the higher education system. On the one hand, for political and economic reasons, the philosophy of educational expansion that had relied on creating additional institutions for the expansion of programs and curricular offerings gave way to less ambitious strategies, such as the creation of specialized degrees and graduate courses, curricular reform, and pedagogical innovations. On the other hand, the priority given to the territorial expansion of the prevalent model of higher education was replaced by efforts to diversify the existing array of HEIs.

The Mexican state responded to the economic crisis of the 1980s with financial and fiscal policy shifts, a restructuring of public administration based on fiscal austerity measures, and the downsizing of its institutions and bureaucracies. The education sector's share of the national budget was diminished and reoriented as part of the restructuring. Public investment was increasingly devoted to overcoming deficiencies in the elementary education system and on developing technical and terminal sub-baccalaureate degrees. As a result, public investment in higher education lost priority. The crisis of the 1980s not only had a negative impact on the national planning and coordination system for higher education but, more important, it also meant a significant decrease of public investment in the sector. During the decade, higher education's share of the federal budget in relation to the gross domestic product (GDP) fell from 0.68% in 1980 to 0.41% in 1989. This trend impacted significantly the growth of the public higher education system: From 1980 to

1989, the total enrollment of public HEIs climbed from 785,905 to 1,026,252 students, which meant an increase of only 240,347 new students, fewer than half of the 498,248 students added to enrollments during the former decade.

By contrast, private HEIs sustained the expansion trend they began in the 1970s. During the 1980s, total enrollment of private HEIs increased by 82,589 students, an equivalent increment to the one experienced over the previous decade. Thirty-nine new private institutions designated as universities were created, primarily in cities outside of the federal district (Mexico City). Furthermore, several private universities, most notably the Instituto Tecnológico de Estudios Superiores de Monterrey and the Universidad Iberoamericana, began to open branch campuses in new locations.

In summary, during the 1980s, the growth of the public university sector rested almost exclusively on the expansion of the total enrollment in existing institutions, whereas the expansion of the private sector was based on the creation of new institutions and the beginning of territorial expansion. From that moment on, the private sector took advantage of the public sector's diminished capacity for providing access to postsecondary opportunity and used the stagnation of public supply as a stimulus for its own expansion. This trend would strengthen over the following decade.

The 1990s

The political and economic context in which the restructuring of Mexico's higher education system took place during the 1990s was shaped by the administrations of Presidents Carlos Salinas (1988–1994) and Ernesto Zedillo (1994–2000). Both regimes explicitly embraced “modernizing” agendas and promoted a development model consistent with neoliberal economic doctrine. In seeking to align Mexico to the dynamics of globalization, the Salinas administration orchestrated the enactment of several free-trade agreements, most notably the North American Free Trade Agreement. President Zedillo's administration continued that strategy by signing a number of bilateral and multilateral trade agreements, of which the one with the European Union stands out. Mexico's free-trade policies assisted the recovery of its commercial sector and boosted leading macroeconomic indicators. However, the model also increased inequality and income stratification, reduced employment in traditional economic sectors, and generated a profound crisis for the working poor. Another distinctive trait of the economic policy of the 1990s was the state's withdrawal from most of the economic activities that were still under its control and the promotion of private investment in several spheres of economic and social activity, among them the educational sector.

The changes in fiscal policy over this period had remarkable effects on the higher education system. Zedillo's administration implemented

a fiscal policy increasingly oriented toward the strengthening of local economies, which coincided with the coming of age of the administrative decentralization processes instituted during the 1980s. The decentralization of public expenditure on higher education had limited effects initially, though its consequences would be felt more clearly over the following years.

Both presidential administrations also implemented policies designed to diversify the educational supply. They did this primarily by reinforcing the public technological education segment and by introducing subsidies designed to incentivize public HEIs—particularly autonomous universities—to adopt directives on improvement of the academic teaching staff, the modernization of institutional infrastructure, and the introduction of strategic planning models. The first expressions of this project were the Higher Education Modernization Fund (FOMES, 1990), the Teacher Improvement Program (PROMEP, 1996), the University Development Support Program (PROADU, 1998), and other funds for infrastructure development. These soon gave way to a new generation of policies that fostered institutional change through economic stimulus. Several evaluation agencies were established to implement this strategy, the most prominent of which were the Interinstitutional Committees for Higher Education Assessment (CIEES, 1991), the National Registry of Quality Graduate Programs (PNPC, 1992), the National Center for Higher Education Assessment (CENEVAL, 1994), and the Council for the Accreditation of Higher Education (COPAES, 2000).

Even though there was continuity between the education policies of Salinas and Zedillo, the administrations differed in their approaches to two crucial issues: the growth of the public higher education system and the public expenditure policies for the sector. Between 1988–1989 and 1993–1994 (Salinas's administration), total enrollment increased from 1,033,160 to 1,074,003 students, which represents a total increment of 40,843 students or slightly fewer than 7,000 new enrollments per year. In contrast, between 1994–1995 and 1999–2000 (Zedillo's administration), total enrollment increased from 1,100,826 to 1,367,020 students, a 6-year increase of 266,194 enrollments, for an average of 44,365 per year. This trend stood in contrast to their approaches to federal government spending on the sector. During Salinas's administration, public expenditure on the sector as a percentage of GDP increased from 0.37% to 0.61% in the last year of Salinas's presidential term. The sector's expenditure ratio during Zedillo's presidency remained constant at around 0.60%. Even though the state's expenditure ratio increased during the second half of the decade (from 0.12% to 0.15% as a percentage of GDP), the truth is that Zedillo's administration exerted an expenditure containment policy, which translated into a reduction of spending per student and severe pressure on public HEIs to search for alternative funding sources.

Some of the most relevant adaptations of the system during the 1990s can be seen in the following data. The expansion of the public postsecondary sector was generated almost exclusively by the growth of the technological university sector. Through the creation of nearly 100 institutions (technological institutes and universities), enrollments in the technological sector grew more than 60%, thus increasing its share of the public system's total enrollments from 20% to 36%. By contrast, the growth of the traditional public university sector remained essentially flat: Enrollment grew less than 7% over the decade. As a result, the 1990s stand as a time of remarkable growth in the proportion of higher education provided by the private sector. In 1990, private HEIs provided 17.4% of all undergraduate programs and, by the end of the decade, they offered nearly a third of the total. To achieve this share, the private system grew two and a half times, sustaining an annual growing rate of almost 10% during the period. In all, 140 new private universities were created during the decade, not counting branch campuses and locations. The growth of the private higher education segment at the graduate level was extraordinary. Enrollment increased four and a half times in only 10 years. Besides expanding, as it increased the proportion of HEI's guided by market strategies, the private system also expedited the differentiation of higher education systems in Mexico.

A number of factors converged to generate this extraordinary transformation. As noted earlier, a key element was increased demand for enrollment that was unmet by the public sector. Even though, to a certain extent, the higher education system regained the pattern of growth that had been interrupted during the 1980s, the development model implemented during the 1990s combined two guiding principles: the diversification and the decentralization of the system. As a result, opportunities emerged for new forms of university organization and educational delivery in the most populated cities of the country, which were locations left largely unconstrained during the decentralization program. This indirect incentive, a stimulus driven by deregulation, reflected a state policy that bent the previous rules of authorization, regulation, and control of private HEIs.

A new phase in the restructuring process of the public higher education system began with the election of Vicente Fox in the year 2000. The essential features of this contemporary phase included the formalization of public policies on higher education that had been introduced during the 1990s; the strengthening of the institutional and curricular diversification strategies instituted during the 1980s; and the consolidation of the evaluation instruments and regulatory agencies established over the prior two decades.

The diversification policy was furthered by creating new institutional types. To the already existing array—public universities (federal and state) and technological institutes and universities—new institutional forms were added: polytechnic universities (since 2003) and intercultural universities

(since 2004). More than 100 new public HEIs have been created since 2000, practically all of them polytechnics or intercultural institutions. Most recently, under the administration of President Felipe Calderón (2006–2012), along with the continuation of the diversification process, new strategies have been proposed to reactivate growth in the public sector. These have primarily relied on financial initiatives designed to stimulate enrollment expansion in autonomous public universities by creating decentralized institutions and optimizing the use of their existing infrastructure.

Finally, the consolidation of assessment agencies and evaluation instruments over the past few decades is the result of a dual process. The use of new public resource allocation schemes has prompted calls for widespread evaluations, first in universities and then in the rest of the public higher education system. In turn, the very existence of evaluation, accreditation, and certification agencies has generated a new social perspective, one that views evaluations as indicators of the quality of institutions and programs within higher education. In this regard, external evaluation tends to reflect, in an imperfect manner but with significant implications, the principles of competitiveness that have shaped university reforms over recent years.

The first decade of the twenty-first century witnessed a surprising shift in enrollment patterns within Mexican higher education: a slower rate of growth in the private segment. The efforts to expand public higher education seem to have slowed the growth of the private segment. Using data from 2000–2001 through 2007–2008, public higher education enrollment grew at a rate of 54,448 students per year, a significant increase from the 39,283 averaged during the 1990s. In contrast, the growth of the private sector decreased from an annual average of 39,668 new slots during the 1990s, to an average of 28,180 between the years 2000–2001 and 2007–2008. This trend points to two important dynamics. First, when the public sector endeavors to expand, private sector growth diminishes. Second, the private higher education market is particularly sensitive to the effects of the macroeconomic cycle, particularly to families' loss of purchasing power due to the economic crisis (Fig. 13.1).

Private Higher Education: The Struggle Over Regulation

The historical relationship between the Mexican state and the private education sector has entailed conflicts and disagreements as well as tolerance and agreement. It has been a complex history, permeated by the ideological contests within the Mexican state during the twentieth century, the cyclical dilemma between centralism and federalism, governmental definitions of a national educational project, and the diversity of political, normative, and practical considerations.

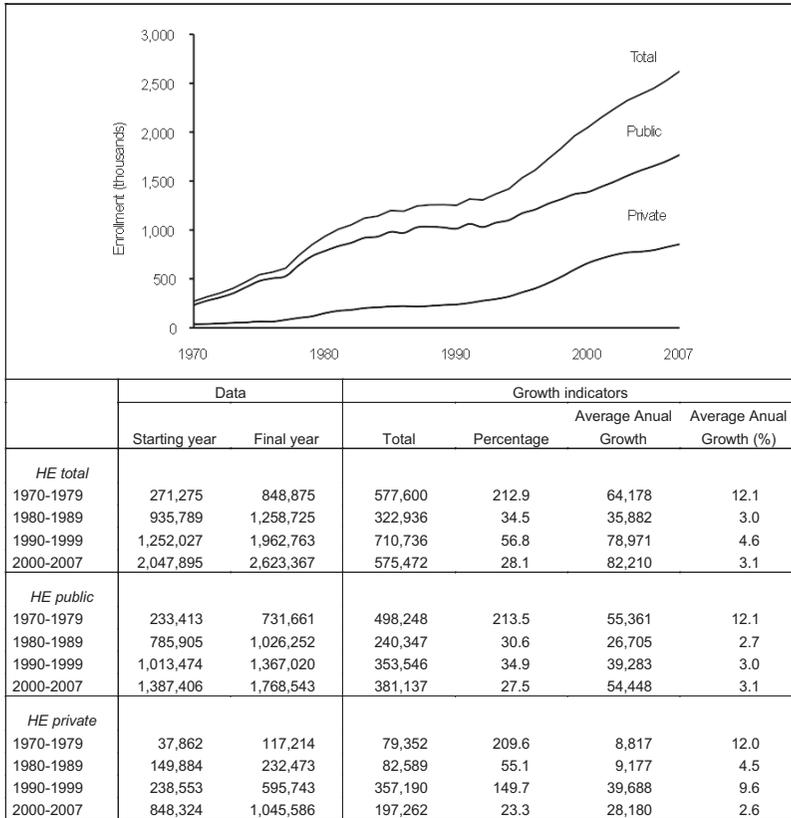


Figure 13.1 Higher education enrollment growth in México (1970–2008)

Conflict over the norms and procedures for the legal recognition of private schools has been a key aspect of these complex relationships. To date, there have been only three ways of obtaining legal recognition: The first is presidential decree, which allows private institutions to operate as *escuelas libres* (independent colleges). This practice was originally adopted as a way to satisfy private groups, primarily professional associations, which sought to establish HEIs. Later it was extended to other private universities with acceptable academic standards.

The second avenue to legal recognition is known as *incorporación de estudios* (incorporation). Private institutions can formally register their graduate and postgraduate programs under the auspices of certain public universities. To obtain authorization, these programs must satisfy requirements established by the institutions granting incorporation and must agree to various measures of supervision and control. Public universities

used the process of incorporation to protect private institutions that were ideologically opposed to the educational policies of the postrevolutionary governments. After the state and the entrepreneurial sector overcame their fundamental disagreements, the incorporation mechanism remained. It is currently an option for those private universities that choose to strengthen their academic standing through linkage with a higher quality or more prestigious public university.

For a long time, these two options were the only ones available to formally legitimize private academic programs. However, the private segment's expansion forced the development and implementation of a new alternative: the Reconocimiento de Validez Oficial de Estudios, or RVOE (official recognition of the validity of studies). RVOE sets the basic requirements for private institutions to obtain legal recognition.

Stages and Strategies of the Recognition Process for Private Universities

The first private HEIs to obtain official recognition were the Escuela Libre de Derecho (college of law) and the Escuela Libre de Homeopatía (homeopathy college), both founded in 1912 and recognized in 1930. These were followed by the creation of the Escuela Libre de Obstetricia y Enfermería (obstetrics and nursing) in 1931; the Instituto de Ciencias Sociales, Económicas y Administrativas (social sciences, economics, and business) in 1937; and finally, the Escuela Bancaria y Comercial (banking and commerce) in 1939.

During the 1930s, Mexico embarked on comprehensive educational reform. Two aspects stand out: the constitutional reform of 1934, which established socialism as the official educational doctrine (until 1945), and the coming of age of the process of centralizing the country's educational structures. Both projects were at the center of an interest group struggle between the revolutionary regime and the nation's most conservative political groups.

The efforts by the Secretaría de Educación Pública (Secretariat of Public Education [SEP]) to increase centralization were gradually reflected in a series of laws and regulations. The Organic Law of Education of 1939, the first prescriptive instrument with a national scope, vested SEP with the authority to grant or deny formal recognition to private HEIs and to supervise their performance. In 1942, the passage of a new Organic Law of Education had enormous repercussions, because it charged SEP with the responsibility of coordinating all academic and administrative activities of the national education system, including those pertaining to the private sector. The Organic Law of 1942 remained in effect for more than 30 years. During this period, which ended with the passage of the Federal Law of Education in 1973, private HEIs generally chose to pursue legal status

through incorporation rather than the authorization procedure controlled by SEP.

However, despite the existence of the federal authorization process and the incorporation mechanism, the granting of legal recognition through the use of RVOEs has never been abolished, and some private HEIs have continued to benefit from that privilege. The Tecnológico de Monterrey, the Colegio de México, and the Instituto Tecnológico Autónomo de México obtained recognition through presidential action in 1952, 1962, and 1963, respectively. During the 1980s, other HEIs received authorization by presidential decree: both Universidad Anáhuac and Universidad Iberoamericana in 1981 and the Universidad Autónoma de Guadalajara in 1982.

After the domestic economic crisis of 1982, the constraints on public expenditure for higher education created opportunities for private investors. This started an expansion cycle within the private postsecondary sector characterized by the creation of new institutions but also by the creation of branches of the most successful private HEIs in new territories.

Early in the decade, the private sector created a corporate advocacy organization, the Federation of Mexican Private Higher Education Institutions (FIMPES), to take charge of public communication and negotiation with the federal government, primarily with SEP. FIMPES's participation was crucial during the legislative deliberation, negotiation, and decision making over the adoption of new procedures for RVOEs.

During the second half of the 1980s, in the context of rapid expansion of the private higher education sector, the incorporation option lost some of its appeal. This was partly due to the fact that most of the top private HEIs had already chosen to obtain RVOEs rather than negotiate the academic and administrative requirements imposed by public universities. Furthermore, gradual decentralization of educational administration, beginning with the General Law of Education of 1993, opened the way for decentralized official recognition at each state level.

Ernesto Zedillo's presidential administration (1994–1999) opened a new chapter in the relationship between private HEIs and the state. The latter portion of the 1990s marked the beginning of political negotiations over a new legal framework for RVOEs. That contest ended in July 2000 with the publication of SEP's Agreement 279. The agreement included an accord on "administrative simplification" stating the requirements needed by the strongest private universities in order to receive a status similar to that of the *escuelas libres*. In light of this agreement, FIMPES sought to establish its own accreditation system with the approval of SEP. In April 2002, FIMPES produced a revision of its accreditation criteria and, in May signed an agreement with SEP by which the federal authority recognized FIMPES's accreditation process as part of the requirements for obtaining RVOEs.

This agreement was a critical turning point in the negotiation process between the state and the higher education system in Mexico. Even though some institutions equipped simply with a FIMPES accreditation continued to move forward toward simplification by establishing a bilateral relation with SEP, FIMPES chose to continue negotiating for better alignment between its own accreditation and SEP's RVOE procedures.

Moving Toward a New Regulatory Environment?

Early on, the administration of President Vicente Fox (2000–2006) identified as a major issue the proliferation of higher education programs of questionable quality. Accordingly, through the National Education Program (PRONAE), the administration announced its intention to review the legal framework of higher education. PRONAE established a goal of setting strict rules for granting RVOEs and signing agreements with state governments, using common academic criteria. During 2001 and 2002, it was reported in the press that FIMPES and SEP seemed to be seeking accord on the need to review the RVOE.

Throughout the first half of the decade, the government implemented three complementary strategies. The first was the adoption of coordination agreements between SEP and the individual states' educational authorities to establish common criteria for RVOE. Only 21 such agreements existed in 2003 but, by 2004, each of the 32 states had an agreement of this kind in place. This effort was complemented by an initiative promoting the adoption by public universities of common criteria for the incorporation procedure. By the end of 2004, SEP announced that the standardization of authorization criteria for private HEIs had been successfully implemented. However, the Secretariat also acknowledged some limitations of this strategy and recommended that the accreditation of study programs should rest in the hands of the agencies recognized by COPAES.

SEP's second effort was to improve review procedures for RVOE requests under its jurisdiction. It declared that between 2001 and 2004, it had cancelled 210 programs belonging to 43 HEIs.

Third, SEP proposed a method for integrating private accreditation through FIMPES with official recognition and accreditation mechanisms, a central demand of private HEIs. After considerable deliberation, SEP proposed an elaborate procedure, with new and more complex requirements, that the private sector viewed as increased regulation. FIMPES decided to postpone efforts to align its accreditation formula with the federal government's regulatory program and ceased negotiations with SEP. Attempts to renew RVOE reached an impasse that would not be resolved until several years later, when a program accreditation model proposed by

independent agencies was authorized by the government. With that, both public and private HEIs were governed by the same process.

Entrepreneurialization Trends in the Private University

Private universities in Mexico have recently undergone notable changes, driven by the adoption of an entrepreneurial approach to organization and curriculum. These changes have transformed traditional forms of administration and ownership, marketing and publicity, program contents, and fundamental approaches to providing tertiary training and education.

Understanding these changes requires a focus on the difficulties faced by private universities as they attempted to sustain the rate of enrollment growth reached between 1990 and 2000. As noted earlier, during the 1990s private enrollments achieved an annual growth rate exceeding 10%, while public institutions grew less than 1.5% annually. After 2000, the private segment growth rate decreased to 5% annually while enrollments in the public system again began to grow. The expansion of public competition, and the increase of public supply through the newly created polytechnic and technological universities, help to explain this phenomenon. Other factors shaped this dynamic, including the diminished purchasing power of the Mexican urban middle class and increased negative public perceptions of those private institutions oriented to satisfying student demand with minimal quality standards and the subsequent loss of prestige of those institutions. All these conditions were compounded by increased government oversight of standards of quality in private institutions.

Private universities have attempted to respond to this situation in various ways: the adoption of external certification standards as evidence of quality; the use of increased marketing and incentives to better compete for students; the corporatization of institutions; and the seeking of increased foreign and domestic investment capital.

To ensure their financial viability, private universities have also adopted new institutional strategies such as selling a wider array of educational products and services and increasing the outsourcing of such primary functions as maintenance, food services, transportation, and the teaching of English and computer skills. Private institutions have successfully expanded their curricular offerings through the provision of master's degrees, specialized programs, and continuing education. Through this "entrepreneurial transition," profitability became a fundamental goal in the administration of private universities. As a result, a number of academic programs that were deemed not cost effective were canceled and, with few exceptions, most private institutions have relinquished basic research activities.

Two particularly relevant and distinct trends have become visible with the adoption and development of the new entrepreneurial tools designed to make private higher education more efficient and profitable. On the one hand, there have been changes in the geographical distribution and the articulation of private institutional groups and networks. On the other, there has been a strong convergence toward a common system of program accreditation.

Territorial Expansion: Seeking New Student Demand Niches

Among the most interesting phenomena in the recent evolution of Mexican higher education are the territorial expansion strategies of private universities. These encompass diverse approaches and modalities. Universities that are affiliated with Catholic orders have established their branches following a network model (i.e., Universidad Iberoamericana, Universidades de La Salle, and Universidad Anahuac). Other private institutions, such as Universidad del Valle de México, Tecnológico de Monterrey, Universidad Tec-Milenio, and Universidad CNCI have adopted a form usually associated with franchises. It is also possible to distinguish between private providers with national or regional coverage. This can be viewed from different perspectives. It can be seen as a market strategy through which private universities decentralize in order to reach more attractive and profitable market niches—that is, to search for student demand wherever it exists. This centralization-decentralization dichotomy can also be seen as an economic process through which the goal is a quasi-oligopoly with student enrollments highly concentrated in a few institutional groups (see Table 13.1).

In light of the new trends of territorial expansion, it is possible to distinguish three main forms: those private providers with national presence, such as Tecnológico de Monterrey, Universidad Tec-Milenio, and Universidad del Valle de Mexico; those private university systems with regional coverage in different parts of the country; and university networks affiliated with Catholic orders and congregations. The national private systems that we have mentioned have been able to establish at least one branch campus in each of the Mexican states. The Tecnológico de Monterrey case is paradigmatic in that it started its territorial expansion early in the 1980s. The Universidad del Valle de Mexico is very different in the timing and form of its expansion, which took place between 1995 and 2000 and was accomplished through the acquisition of previously existing independent private universities by the transnational corporation Laureate Education Inc.

Table 13.2 shows examples of some of the emerging regional groupings in the private segment. A common feature among regional systems has been the establishment of decentralized branches in state capitals and midsized cities. Regional systems coexist and compete with national private university

Table 13.1 Examples of private regional higher education systems in México

<i>Institutions</i>	<i>Regional provision</i>	<i>States</i>	<i>Cities</i>
Universidad de Tijuana	Northwest	Baja California	Tijuana Mexicali Ensenada
		Baja California South	La Paz Los Cabos
		Sonora	Hermosillo
			San Luis Río Colorado San Quintín
Universidad Autónoma de Durango and Universidad Santander de Durango	North, Northwest and West	Durango	Durango Santiago Papasquiaro Gómez Palacio
		Aguascalientes	Aguascalientes
		Chihuahua	Chihuahua Ciudad Juárez
		Sonora	Ciudad Obregón
		Sinaloa	Culiacán Los Mochis Mazatlán
		Zacatecas	Zacatecas
		Michoacán	Morelia
Universidad Autónoma del Noreste	North and Northeast	Coahuila	Saltillo Torreón Monclova Piedras Negras Sabinas
		Chihuahua	Ciudad Juárez
		Nuevo León	Monterrey
		Tamaulipas	Matamoros Reynosa
Universidad Interamericana del North and Tecnológico Sierra Madre	Northwest, North, Northeast, Center and Southeast	Baja California	Tijuana
		Sinaloa	Culiacán Mazatlán
		Chihuahua	Ciudad Juárez Chihuahua
		Coahuila	Torreón Saltillo
		Nuevo León	Monterrey Montemorelos
		Tamaulipas	Reynosa Tampico
		San Luis Potosí	San Luis Potosí
		Querétaro	Querétaro
		Tabasco	Villahermosa
		Campeche	Campeche
		Yucatán	Mérida
Universidad del Valle de Atemajac	West, Center and Southeast	Jalisco	Guadalajara Vallarta Lagos de Moreno
		Michoacán	La Piedad Uruapan Zamora
		Nayarit	Tepic
		Aguascalientes	Aguascalientes
		Querétaro	Querétaro
		Guanajuato	León
		San Luis Potosí	San Luis Potosí
		Colima	Colima
		Tabasco	Villahermosa

Table 13.2 Enrollment and Undergraduate Programs Accreditation in Selected Private Universities, 2008–2009

	Enrollment			Existing programs			Accredited programs			
	Total	% Natl.	% Priv.	Total	% Natl.	% Priv.	Total	% Natl.	% Priv.	Accreditation
Rate										
Universidad del Valle de México	59,669	2.4	7.0	685	4.1	6.5	50	2.8	10.3	7.3
Instituto Tecnológico y de Estudios Superiores de Monterrey	55,225	2.2	6.5	581	3.5	5.5	197	10.8	40.7	33.9
Universidad Tecnológica de México	26,201	1.1	3.1	143	0.9	1.4	14	0.8	2.9	9.8
Universidad Iberoamericana	17,784	0.7	2.1	116	0.7	1.1	28	1.5	5.8	24.1
Universidad La Salle	12,173	0.5	1.4	211	1.3	2.0	24	1.3	5.0	11.4
Universidad Anahuac	11,019	0.4	1.3	119	0.7	1.1	19	1.0	3.9	16.0
Universidad Autónoma de Guadalajara	8,963	0.4	1.1	138	0.8	1.3	0.0	0.0	0.0	0.0
Universidad Popular Autónoma del Estado de Puebla	8,434	0.3	1.0	59	0.4	0.6	21	1.2	4.3	35.6
Instituto Tecnológico y de Estudios Superiores de Occidente	8,209	0.3	1.0	26	0.2	0.2	18	1.0	3.7	69.2
Universidad de Monterrey	7,783	0.3	0.9	32	0.2	0.3	16	0.9	3.3	50.0
Universidad Panamericana	6,385	0.3	0.8	57	0.3	0.5	17	0.9	3.5	29.8
Universidad de las Américas	5,448	0.2	0.6	56	0.3	0.5	1.0	0.1	0.2	1.8
Total	227,293	9.1	26.7	2,223	13.4	21.2	405	22.3	83.7	18.2

Source: UNAM-DGEI, Estudio Comparativo de Universidades Mexicanas 2010

conglomerates. A rough estimate suggests that at least one third of all private university establishments are currently part of one of these systems or networks. Approximately half of the students in undergraduate and graduate programs in private institutions are enrolled in one of these systems.

In the expansion of contemporary private higher education, the creation and growth of these larger conglomerates also tends to stymie the emergence of independent private institutions attempting to build student enrollments. Private networks and systems are usually backed by federal or state government charters, they have a broader financial base that allows them to compete more successfully in regional competition and, as a result, they are in a position to force some independent private universities out of the arena.

The Road to Accreditation

The effort to ensure academic quality has become one of the most prominent objectives in Mexican higher education. The primary strategy has been to motivate institutions to earn accreditation from a group of independent agencies supervised by COPAES. Since 2000, the state has funded incentives for public institutions that obtain accreditation for their programs. Currently, public universities in Mexico offer almost 4,000 undergraduate programs. Through 2008, just over 1,000 (28.4%) had received accreditation. Additionally, a large subset of nonuniversity public tertiary institutions offer 2,169 programs, 222 (10.2%) of which are accredited (Table 13.3).

Implementation of the accreditation system has introduced new conditions for the private sector that also reshape the competitive environment. The existing authorization mechanisms for private universities, described earlier in this chapter, do not sufficiently differentiate or distinguish institutions within the private segment itself or *vis-à-vis* public universities. This explains the growing interest of the most prestigious private institutions in reinforcing perceptions about the quality of their offerings through seeking accreditation. The private higher education sector as a whole has achieved much lower rates of program accreditation than have public universities. Only 4.6% of the total number of private programs have been accredited by COPAES. This proportion takes on new significance when we observe accreditation data for each of the private sector universities. Table 13.2 shows the 12 private universities or university systems in Mexico with the largest enrollments. This group includes a total of 227,293 students in undergraduate programs, representing 9.1% of the total national higher education enrollment and 26.7% of students in the private sector. This subset offers 2,232 undergraduate programs, 405 (18.2%) of which have been accredited. Those 405 programs represent 83.7% of all accredited private programs. It is also the case that some of these private institutions or conglomerates have reached higher accreditation rates than the average for public universities. This is true for

Table 13.3 Enrollment and Undergraduate Programs Accreditation by Institutional Type in Public and Private Sectors 2008–2009

	<i>Enrollment Programs</i>	(%)	<i>Existing Programs</i>	(%)	<i>Accredited Programs</i>	(%)	<i>Accreditation rate</i>
Public universities	1,241,978	50.2	3,913	23.6	1,111	61.1	28.4
Other public institutions	380,025	15.4	2,169	13.1	222	12.2	10.2
Private universities	850,175	34.4	10,493	63.3	484	26.6	4.6
Total	2,472,178	100.0	16,575	100.0	1,817	100.0	11.0

Source: UNAM-DGEI, Estudio Comparativo de Universidades Mexicanas 2009

Instituto Tecnológico y de Estudios Superiores de Occidente with 69.2% of accredited programs, Universidad de Monterrey with 50%, and Instituto Tecnológico y de Estudios Superiores de Monterrey with 33.9%.

The movement for greater academic program accreditation has begun a process of reshaping the landscape of postsecondary provision in Mexico. As public and private universities participate more fully in the accreditation scheme, it is likely that nonaccredited programs will become increasingly marginalized in the competition for higher education enrollments.

The two competitive adaptation strategies we have reviewed in these pages—territorial expansion in search of new niches and the process of seeking accreditation from COPAES for undergraduate programs—require access to considerable financial resources. At the same time, they require the renewal of existing academic, administrative, and managerial processes. Traditionally structured postsecondary institutions in Mexico differ on many dimensions, including size, geographical location, and curricular offerings from large private university networks or systems. Some of the challenges these distinctive organizations have faced, however, are of a similar nature. Institutions in each segment have attempted to standardize procedures, continuously argued for improvements in accreditation processes, and tried to establish efficient administrative practices.

Conclusion

The globalization of market models of production and the widespread application of neoliberal public policies have dominated the transition between twentieth and twenty-first century practices for providing higher education. Though neoliberal policies and globalization constitute worldwide trends, they exhibit a diversity of forms and characteristics in different parts of the world. It is also the case that the repercussions of these policies vary in intensity and depth.

Throughout the latter stages of the twentieth century in Mexico, social and economic policies were radically modified. Since the 1980s, the Mexican state has opened the domestic economy to international markets and reduced its participation in the direct production of activities and services. Similarly, the state promoted the deregulation of domestic markets and offered incentives to national and foreign investment to promote private participation.

This transformation process influenced virtually all economic, social, cultural, and political activities. In education, and particularly within higher education, a new repertoire of policies was set in place. These policies fundamentally pursued three complementary goals.

First, they sought to improve the quality of public higher education through the modernization of administrative processes, the implementation of an economic stimulus scheme to increase productivity, and the

distribution of supplemental economic resources to promote the adoption of the objectives in the government's educational agenda. Second, significant new policies were devoted to diversification, through public investment that prioritized technological institutions and the creation of new subsystems within higher education. The third primary goal was to achieve a greater diversity of institutional forms in higher education. Two forces attracted private investment in the sector. These were the stagnant pattern of growth in the public sector, which resulted in a considerable degree of unmet student demand, and the ability of private providers to achieve legal status through the RVOE process, which, combined with tax incentives for investments in the sector, facilitated the creation of numerous private institutions.

Since the 1980s, the private sector has undergone two crucial transformations. The initial rapid expansion in the number of private institutions led to an intense fragmentation of the system. This, in turn, generated a stratification in the segment that affected the quality of private education services. The elite segment persisted, but new institutions with intermediate, and sometimes low, quality standards emerged. The second transformation took place during the first decade of the twenty-first century and was characterized by territorial expansion combined with the articulation of institutional networks and conglomerates with regional and national coverage that were differentiated through quality certification and program accreditation.

The adaptation of the Mexican higher education system entails an interesting paradox. Driven by government policies, public universities adopted modernizing programs and reforms to incorporate business managerial techniques perceived as successful in private enterprises. These included strategic planning, productivity incentives, quality certification, and continuous improvement methods. These public programs became a benchmark for private institutions to emulate in order to remain competitive. In turn, private HEIs adopted entrepreneurial policies and practices to match the contemporary transformations established by the public sector, policies and practices that originated with private firms.

From a sociological perspective, it is important to understand that entrepreneurialism implies a profound cultural change. Historically, Mexican private universities essentially constituted a social enclave within an institutional landscape overwhelmingly dominated by public institutions. In that incarnation, there were two clearly defined segments of private institutions: those schools and universities that were linked to industrial and financial groups and another set that was related to religious congregations. In both cases, however, there was a clear intent to forge a cadre of leaders for the private sector, in a variety of professions or as business executives. Both traditions shared catholic and liberal values that established the ideological imprint of private universities.

The expansion of private universities has diminished their social homogeneity and ideological consistency and has generated internal competition within the segment. In this new phase, private institutions position themselves in the competition for students on the basis of their ability to meet student demand. A discourse of excellence has been adopted by institutional administrations, in concert with models of quality management, strategic planning, and marketing to promote the competitive advantages of each institution.

It is foreseeable, at least in the short term, that the Mexican state will continue to strengthen the set of policies, measures, and economic incentives that are deemed to have generated positive results in terms of accessibility, evaluation, quality certification, and control of the system. In this context, the consolidation of public higher education systems at the level of individual states, integrated by institutional type and with dual coordination structures (state and national), seems like a rational and attainable objective. This will likely allow for the emergence of a public system with a larger territorial coverage, relatively satisfactory levels of academic quality, and social relevance.

If this were to occur, the private segment's share of postsecondary enrollments would likely suffer, as private providers would have to compete with public institutions offering lower cost, better quality, and broader access. In such a scenario, only those private institutions capable of rapidly and adequately adapting to the changing context would survive, which is, after all, the chameleon's agenda.

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