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THE CHANGING ROLE OF THE STATE IN MEXICAN HIGHER EDUCATION: FROM THE CRISIS OF INEFFECTUAL POPULISM TO NEW FORMS OF SYSTEM COORDINATION

1. INTRODUCTION

This chapter[1] examines policy change in Mexican higher education throughout the 1990s and draws on a comparative research project[2] on higher education policy change in North America to which I am a contributor. In exploring these changes – Clark Kerr's insistence on the word *change* rather than *reform* seems pertinent – it will be necessary to describe how the organisational and institutional aggregate that is called the *system* of higher education has been altered in the context of rather significant political and cultural shifts. In the concluding section, these emerging issues and patterns will be discussed using Cerych and Sabatier's analysis in *Great Expectations and Mixed Performance* as well as parts of Sabatier and Jenkins-Smith's (1999) later work on the *Advocacy Coalition Framework*.

2. EXAMINING POLICY: CULTURAL AND POLITICAL SHIFTS SURROUNDING HIGHER EDUCATION

Cerych and Sabatier's title *Great Expectations and Mixed Performance* says it all. Expectations – high and low – are crucial to policy change and to the evaluation of policy. In his foreword to *Great Expectations*, Clark Kerr rightly points to the importance of the social and cultural climate surrounding higher education policy. In periods of social optimism, great things are expected of higher education. In the current pessimistic climate, expectations tend to be more circumscribed by realistic assessments of what is possible and by cynical views of the intentions of policy makers and institutional leaders. The word *performance* is also heavily laden with values and premises that usually go unsaid. Consequently, how performance is judged cannot be value-neutral. Moreover, we should not forget Elaine El-Khawas' (2001) well-taken point that all too often judgments are made on the basis of insufficient evidence developed from skewed questions. Inevitably, tacit judgments are present in the following analysis, as it is directly influenced by the author's involvement in the ongoing academic and political debate surrounding higher education policy in Mexico.

Å. Gornitzka et al. (eds.), Reform and Change in Higher Education, 187-206.

This chapter will argue that the ongoing undeclared judgments by policy makers influenced the evolution of policy decisions. These ongoing assessments were usually not the object of public debate, either in the legislative arena or through the circulation of policy papers. But, at the same time, this technocratic style of policy making was usually receptive to ongoing controversy in the media and to input from academics and specialists. If policy formulation and implementation are not merely a rational technical exercise – as they surely are not – we must expect the political and cultural texture of policy making to be important and we must assume it will vary across national contexts. The policy environment in Mexican higher education has been undergoing significant change. The political system and the structures of public administration have been in flux for a decade and a half. Thus, uncertainty about changing rules was part of the landscape in the early 1990s. But it also provided new opportunities for political, academic and institutional entrepreneurs who thrive in situations of changing resource levels and porous boundaries.

This chapter will examine how policy produced new system behaviours and roles. Today, the higher education system in Mexico includes various types of functionaries, planners, evaluators, financial managers and consultants, who bring their networks, values, discourses and varying modes of access to resources and influence. These roles, practices and values were absent a decade ago. The dynamics of specialisation, professionalisation and division of labour in the policy-making establishment are a visible symptom of new forms of system coordination and regulation. They are partly explained by shifts in the belief systems of the various agents and their emerging forms of interaction. As a result, over a period of a decade and a half, the role of the state in higher education has been transformed: in the 1980s the federal government had become virtually a captive financial supporter of institutions politicised by unions, political parties and student movements; today, various levels of government at the national and local level seek to regulate public and private institutions that must inevitably play the game of financial incentives and strategic planning according to government rules.

3. AN OVERVIEW OF THE SYSTEM CHANGE IN THE 1990s

Retrospectively, one may imagine a fictitious conversation back in 1989 with the rector of a public university in Mexico. The question might be:

> What would you say if I predicted that ten years from now we will have an accreditation system, public universities will be doing strategic planning, there will be 40 new two-year technical institutes, more than 160 four-year technical colleges, 10 new polytechnic universities, a rapidly growing postgraduate level and a booming private sector with a growing interest in online programmes?

The rector would naturally respond:

> I'd say you're crazy. That would imply a major reform. And anyway our Association of Rectors would just not let the government do that.

Well, it did happen. And the Rectors' Association did not do much about it, except for some resistance at first. It is noteworthy that these changes occurred without a major reform movement in the political sense. There has been public

debate, of course, but it certainly lacked the intensity that one would have expected, given the ideological climate of the 1980s. With the exception of student opposition at the National University (UNAM) to various attempts at raising fees, almost every other public university in Mexico has raised fees moderately without much ado – a significant ideological shift in itself. The media pounced on the exception of UNAM and downplayed the larger picture.

Nor have these transformations been the result of widely debated legislative decisions. They have been undertaken without legal reforms of any significance. The executive branch of government used its considerable authority and the power of the purse to push through policies that clearly went against the grain. For financially starved universities, the economic incentives offered by the federal Secretary of Education were irresistible (see table 1 for a succinct view of funding trends).

Table 1. Public expenditures on higher education

	1989	*2001*
Public (federal + state) expenditure on education/GDP	3.7%	5.2%
Federal expenditure on higher education/GDP	0.4%	0.7%
Federal expenditure on higher education/Total Federal Budget	1.2%	3.1%
Federal expenditure on higher education (millions of US$)	$1409.7	$3992.1

Source: Fox 2001

A closer look at the figures would reveal a less significant increase in terms of per student expenditures. It is also important to note that the 1995 financial collapse in Mexico brought a decrease in public funding for higher education. The decline ended four years later when pre-1995 funding levels were once more attained. Complaints by state university rectors are a constant, especially when they (rightly) point out that enormous federal institutions with great political clout like UNAM get an unfairly large share of public funding. Overall, however, federal and state spending for education generally, with an emphasis on basic education, has remained a priority throughout the decade. Most certainly the initial burst of spending in the early 1990s contributed to bringing the Rectors' Association on board with policy changes that they had originally resisted.

These figures tell only part of the funding story. Private expenditures in higher education have also grown over the past decade. Data from household income surveys show that the percentage of total family income spent on higher education has doubled since 1992 (INEGI 2002). Figures for corporate donations are not available, but many large private universities depend more and more on this type of funding, as evidenced by the growing number of private foundations. If this data were available, they would certainly reveal a significant increment in private funding for higher education overall.

3.1. Social Participation and Equity Issues

The trends in funding mentioned here are manifestations of the growing social demand and willingness to pay for higher education that were the driving forces behind enrolment expansion. As can be seen from table 2, national enrolments increased by 70% between 1985 and 2001. Women and private sector enrolments took up much of this growth. Also notable is the relative growth outside the capital city: regional expansion of higher education is a very important part of the changes underway.

Table 2. Enrolment growth and social participation

	1985	*1990*	*2001*
Total enrolments in higher education	960,000	1,078,000	1,700,000
Women/total	35%	40%	48%
Private sector enrolments/total	15.7%	17.4%	31.5%
Decentralisation: Enrolments in Mexico City/total	30%	23.3%	19.5%
Participation rate 19–23 yr olds		12.6%	17.5%
Population over 18 yrs with higher education		7.4%	10.9%
Population with higher education/1000 inhabitants		12.8	18

Source: ANUIES (Rectors' Association) 2000

Nonetheless, the participation rate of 19 to 23 year olds in higher education is still quite low, compared to other Latin American countries that have also reformed their systems, such as Argentina or Chile. This means that while most of the middle and upper strata are sending their young people to higher education, this is not so for lower income families. In spite of its growth, Mexican higher education remains very inequitable. National data on the socio-economic status of students are not collected as a matter of course (a notable policy failure), but analyses of household income surveys show that public subsidies favour middle and upper income groups over lower income students (Post 2001; SEP 1999). Local surveys at some public universities also show that few incoming students come from families with less than upper secondary schooling. Expansion does not necessarily lead to social mobility, if poor students lack financial aid or if institutions are not within reach of the rural population. The opportunity costs of higher education for poor rural students in a transition economy such as Mexico's can also be very high (Lewis and Dundar 2002): many young people between 15 and 20 years from the poorer rural areas in Southern Mexico decide to emigrate illegally to the United States rather than continue studies beyond secondary school. The growth of private establishments, all based in large cities and charging fees, does little to offset social inequality.

Persistent inequity is thus a crucial issue for higher education policy, but it was not recognised as such when the reforms were initiated in the early 1990s. At that time, quality was the main concern and it remained so throughout the decade. However, by the mid-1990s the single-minded emphasis on quality was criticised by the OECD examiners of higher education, who pointed out that quality improvement policies would not overcome severe social inequities (OECD 1996). Since that

moment and continuing into the Fox administration (SEP 2001), there has been a greater emphasis on providing higher education to poor students and young people from rural areas and indigenous groups.

3.2. Institutional Diversification (1): New Public Institutions

A notable trait of this expansion has been institutional diversification, as shown in table 3. The public sector has developed a whole range of two-year and four-year technical institutes. All of the establishments are part of the push for decentralisation: they are partly funded by the federal government but it is up to state governments to carry out the planning, partial funding and coordination of these institutes, most of which are set in small cities and rural areas. The goals of this policy are twofold: on the one hand, to provide opportunities to preparatory school graduates in poor urban and rural settings; and, on the other hand, to strengthen technical capacity and links with firms at the local level. An implicit goal is also evident: involving state and local governments in the funding and coordination of higher education, thus changing and diversifying the interactions between higher education and the state.

Table 3. Institutional diversification

	1990	*2001*
Public Sector		
Federal and state universities	43	46
Federal technical institutes	96	111
State technical institutes	0	80
Two-year technical institutes	0	38
Polytechnics	0	3
Research institutes	3	26
Private Sector		
Universities	50	100
Institutes, academies, colleges	162	545
Total number of establishments	354	946

Source: ANUIES 2000

A new sector of research and postgraduate institutes has received consistent support as part of federal policy for research and development. These centres tend to specialise in certain areas, such as applied mathematics, optics, metallurgy, biotechnology and marine sciences. They are mostly staffed by young PhDs led by a small group of senior scientists, and their facilities are usually well equipped. Their mission is to develop strong links with firms and to train new generations of scientists.

These institutions – generically called CONACYT centres – are not strictly universities in the sense that their teaching role is limited to postgraduate students and because their overarching function is research and development. As such, CONACYT centres are coordinated directly by the National Science Council,

CONACYT, rather than by the Assistant Secretary for Higher Education in the Ministry of Education who is responsible for the university sector. Implicit in this design is the realistic assessment by policy makers of the weak scientific capacity of state universities. Recent studies have shown that public and private universities are responding quite feebly to federal incentives for strengthening research capacity (Kent et al. 2003; Chavoya 2002). The unspoken understanding is that most universities[3] have a deeply ingrained culture oriented toward the teaching function, with research usually playing a minor role often beset by internal bureaucratic tensions. As a result of this undeclared assumption, federal research policy has focused not only on strengthening existing groups of scientists within universities but also on creating non-university settings in which new scientific research may flourish. There is a general policy leitmotiv here that deserves to be brought forward. As the 1990s progressed, policy makers seem to have experienced growing dissatisfaction with meagre results in research productivity and quality of teaching in the university sector. In addition to partially sidestepping state universities in research policy, we will have occasion to argue that this critical ongoing assessment had other consequences for policy reformulation.

3.3. Institutional Diversification (2): The Growing Private Sector

Most notable in this story of institutional diversification, of course, is the expansion of the private sector. In Mexico, the number of private establishments tripled in eleven years. Although most of the new ones are small academies with feeble infrastructure and part-time faculty who do not normally hold masters or PhD degrees, there is a growing number of academically respected private universities as well.

Similar trends are evident in other developing countries, such as South Africa, the Philippines and Brazil (Kruss and Kraak 2003; Altbach 1999). But then perhaps this is not exclusively a developing country phenomenon either: except for differences in time, geographical reach and level of funding, these trends may not be unlike the growth of private higher education in the United States in the twentieth century, as described by Burton R. Clark (1987: 14):

> the private sectors, with only one-fifth of the students and one-fourth of the faculty, [are] enormously varied: the research-centered university … the secular urban-service university … the Catholic municipal university … the secular elite liberal arts colleges … the rear-guard denominational schools … and institutions at the tail end of the academic procession, inferior to the best high schools [which] are, as put by David Riesman, 'colleges only by the grace of semantic generosity' (Riesman 1956).

In Mexico today, certain conditions prevail that provide fertile ground for private expansion in higher education. There are profits to be made in a market with conditions such as the following:

- Demand for higher education diplomas is on the rise.
- Barriers to entry are low: relatively small investments in facilities and infrastructure are required if academic offerings are limited to the

administrative professions; technology costs could be high but this is optional if the establishment is surrounded by internet cafés.

- Official requirements for quality control are not stringent, although this has become an important issue and will probably change.
- There is a qualified workforce seeking jobs in a buyer's market: higher education graduates are having trouble finding work and often accept low wages for part-time employment as teachers in private establishments.
- No legal distinction exists between for-profit and non-profit establishments of higher education; in such a lax legal environment private entrepreneurs are under no pressure to distinguish themselves from bona fide educational institutions.
- Accreditation systems are in their infancy and good information for the consumer of educational services is not easily obtained.

In some ways, this higher education market differs little from that of the informal sector of the economy, which has expanded so briskly in countries experiencing deep economic dislocations such as Mexico. That is, the dynamics of supply and demand are so brisk that they overwhelm state capacity to regulate or coordinate. From the entrepreneurial perspective, this market is vigorous and healthy; but opinion leaders in the public sector fret over the chaos and low quality, calling for government intervention. However, it must be pointed out that the current state of private higher education in Mexico is not merely the result of unplanned change. There is a tacit policy goal being realised here as well. Public officials declare that government resources are insufficient to create sufficient student places in public institutions to meet demand, recognising implicitly that private sector expansion is in the public interest. This should be the case if publicly funded institutions exclusively served economically needy students without subsidising higher income students; but recent studies show that this is not the case, as noted above.

There has been significant growth in the academically consolidated universities, which doubled in number over the decade. Some of these universities evolved entrepreneurially: having started out as small establishments, they matured over the years into more established academic institutions or specialised technical colleges as a result of academic entrepreneurship.

Other academically consolidated universities are actually spin-offs from previously well-established academic institutions, taking any of the following routes:

- *Expansion through franchising*: This is the model followed by the Monterrey Technical Institute, which today has large campuses in more than 20 states throughout Mexico. The franchise is sought out by business and/or academic leaders in a region that lacks a good private university; they approach Monterrey Tech, pool the financial resources and usually lobby the state government to donate the land. Once these conditions have been met, the Institute provides the academic and business model for the new establishment and also usually hires the senior academics, who then hire the rest of the staff locally as well as recruit Tech graduates from other

regions. The new campus is then extensively advertised locally in the media and on urban billboards, signing up students in advance who pay up front and help finance the new installations, which can be up and running within a year. A national council led by the central campus in Monterrey brings regional managers together regularly and sets guidelines for the national network.

- *Entrepreneurial growth with support from a religious order*: This route goes from single to multi-campus establishments. The political and business clout of the religious order help in lobbying local authorities for land donations. Churches and lay groups associated with the order spread the word through social networks that a new type of humanist and value-centred curriculum is coming to town. The Universidad Iberoamericana, the largest Jesuit higher education establishment in Mexico, has followed this route in establishing large campuses in five cities. Its example is being followed by other Catholic orders.
- *Expansion through buyouts*: An example of this route is, in 2000, Sylvan Learning Systems in the United States bought into Universidad del Valle de México, a private establishment with campuses in several cities. Their publicity offers online programmes and opportunities for international study. The Mexican buyout by Sylvan seems to be part of a more ambitious business plan for internationalisation, since Sylvan has also bought into a private university in Chile.[4]
- *Online programmes*: Monterrey Technical Institute, for example, has developed a Virtual University that offers online programmes to clients throughout Mexico and other Spanish speaking countries. Online programmes from other countries, mostly the United States, are also on offer.

4. THE CRISIS OF THE 1980s: SETTING THE STAGE FOR *MODERNISATION* IN THE 1990s

Fifteen years ago no mechanism of quality assurance existed in Mexican higher education, except for peer review and other traditional mechanisms in the scientific community. Decisions over hiring academics, creation of new programmes and funding allocations within and across institutions were generally made on the basis of political calculation and resource availability. The then powerful federal executive was the primordial focus for policy decisions, to the exclusion of state governments and the legislature (which usually approved executive budgets after nominal debate). Public universities were in the habit of mobilising unions, friendly political parties and student groups to exert pressure on a yearly basis for the approval of budgetary allocations. A paradox resulted: rather than setting the agenda and making policy, the powerful executive branch was actually captive to political forces within the university community and their partners throughout the political system. As long as funds were available to the government, this state of affairs was able to continue. That this situation was clearly detrimental to academic quality and

institutional efficiency was a concern to federal officials in the education ministry, but the federal government had a national economic and financial emergency on its hands and thus lacked the political and financial resources to set things aright in higher education.[5] For the social and economic elites another option was available through the creation of private institutions of higher education for their offspring, thus exercising the *exit* option to situations of economic, political and organisational decline, to use Albert O. Hirschman's classic formulation (Hirschman 1970).

In 1988, the political balance was radically upset by the financial devastation resulting from the debt crisis, the collapse in international oil prices and the fiscal breakdown of the state. It became clear to all actors concerned that a new policy framework was required. Beginning with the Salinas administration in that year, a deeply critical assessment of the prevailing situation led to a series of policy formulations by federal officials, which today come under the term *modernisation of higher education*. The term *modernisation* was taken from the overall policy discourse of the period that focused on the need to reform the economy and the social institutions in the context of globalisation. Thus, modernisation refers to improving quality and efficiency of public and private organisations, amending public administration to increase national competitiveness and adapt social norms and values accordingly. The basic policy framework for higher education that emerged at that time has been sustained, with some reformulations, throughout three federal administrations to the present.[6]

5. SYSTEMIC REFORM THROUGH QUALITY IMPROVEMENT AND ASSURANCE AND INSTITUTIONAL DIVERSIFICATION

This section presents a summary of the priorities and programmes set forth by federal officials throughout the 1990s. Since broader description is precluded by the limits of this chapter, this list of policy initiatives attempts to present their general evolution over time.

First wave of reforms 1989–94

- Institutional self-evaluation by universities
- Quality improvement through investment in academic infrastructure and institutional facilities
- Focused competitive funding for development projects presented by universities
- Fee increase in public universities
- Upgrading faculty through support for postgraduate study by in-service professors
- Non-contractual performance incentives for faculty, raising income selectively on a competitive basis

- R&D policy: expand research capacity through new PhD programmes, competitive funding for research, investment in infrastructure and incentives to reverse the brain drain[7]
- *Laissez faire* policy toward rapid expansion of the private sector

Second wave 1995–2000

The financial crisis of 1995 resulted in funding cutbacks in higher education, although funding levels for elementary education were sustained. It took four years for higher education funding to recover to pre-1995 levels.

OECD Report on higher education:

- Strong critique of inequity, lack of responsiveness to economy
- The need for institutional diversification
- The need to create a single federal policy-making structure for all types of public institutions of higher education[8]
- The need to provide short-cycle postsecondary offerings

The federal response:

- Expand specialised research institutes throughout the country
- Increase funding for new short-cycle technical institutes
- Create a new subsector of four-year technical institutes under the coordination of state governments. Federal Undersecretary for Technical Education loses its centralised control over all new technical institutes

A critical federal reappraisal of policy results: public institutions are not responding as expected to quality assurance and improvement through benevolent input policy. Thus, a shift in causal theory behind reform leading to:

- Stricter evaluation procedures
- Creation of an accreditation system
- Financial control and audit
- Stronger faculty development programme

2000 to the present

Fox's policy document for higher education stresses:

- New definition of quality: learning, student mobility, curricular flexibility
- Greater emphasis on equity and access

- Accelerating links with business
- Strategic planning in public institutions: detailed three-year planning documents with performance targets to be monitored, programme accreditation is required
- Extension of the operations of the new National Council for Higher Education Accreditation to all public and private universities
- Greater push for internationalisation

2000 to the present (cont.)

- R&D policy: partnerships with industry; partial decentralisation of federal policy agency (CONACYT) to the state level
- Creation of a new public sector: regional polytechnic universities under coordination of state governments
- Financial aid for poor students (a first)
- New focus on regulating the private sector: greater stringency and control over official licencing procedures for new institutions and programmes; greater federal-state coordination over licencing; information on private institutions made available to the public

6. CHANGES IN THE STRUCTURE OF POLICY FORMULATION AND IMPLEMENTATION: THE STATE IS DEFINITELY BACK IN THE PICTURE (IN COMBINATION WITH THE MARKET)

Of principal concern to policy makers in the 1980s was the lack of state capacity to set priorities, to establish funding criteria, to promote quality control and improvement, to arbitrate disputes, and to involve institutions and social actors in developing higher education. Today, in contrast, the presence of the federal government as the effective public authority over higher education is very evident. There is a new role, which has been instigated at the federal level, for state and municipal governments to participate in funding and coordination. The balance of power at the federal and state levels has shifted as well: the loss of power in 2000 by the PRI after 70 years of one-party government has led to a more active role by legislatures and the judiciary over specific policy issues. Although there has been no constitutional change in higher education legislation, policy definition and enactment today are more complex processes influenced by a diverse array of forces. The budget is highly contested in the legislature, which is also lobbied directly by rectors (a practice unheard of in the *ancien régime*). The Rectors' Association plays an increasingly important and diverse set of roles as intermediary, lobbyist, implementer and mouthpiece. The growing influence of the association of private universities is evident in its participation in the National Council for Higher

Education Accreditation. Business associations publish position papers on higher education policy and participate in the establishment of private institutions locally.

This is an emergent process that has developed over recent years, and can be depicted as a complex dialectic among various forces, such as the following:

- Greater activism by federal government and closer management of more diverse public sectors of higher education, alongside a *laissez faire* stance toward the private sector.
- Federal consultation with the Rectors' Association on policy, but decision making and policy design carried out *en petit comité* by small technical groups.
- Vigorous entrepreneurial responses by the various agents in the private sector, including foreign institutions selling services online and establishing partnerships with Mexican universities.
- Growing involvement of other government actors, such as state and municipal governments, in promoting and regulating higher education.
- Increased attention by the media to public and private higher education, especially the issue of *educational fraud* and accountability.[9]
- Greater presence of multilateral organisations (OECD, World Bank, IADB) in policy orientations and public debate.

But this should not be interpreted as the reconstruction of *statism*, in which the market would be subordinated or controlled by political command centres. On the contrary, just as the state has enhanced and diversified its role, so too has the market. Put another way, there is a more active state that is openly experimenting with market mechanisms in the public sector, on the one hand, and engaging the private sector directly, on the other. Private institutions are no longer considered the enemy of the state but partners that contribute to higher education.[10]

Although there is an emerging consensus among the main actors in higher education along these lines, this did not happen quickly or easily (Kent and Ramírez 1999; Mendoza 2000). In the 1980s and early 1990s, government officials seemed to turn a blind eye to the expansion of the private sector, partly because they saw a positive trade-off between private growth and the obvious quality problems in the *demand-absorbing* institutions (Daniel Levy's term for diploma mills). Moreover, the priority at that point was dealing with grave problems in the public sector. But there was also an ideological taboo on public policy engaging the private sector directly. More recently, the incoming Fox administration attempted to abolish that taboo by naming the President of Monterrey Technical Institute, the largest and most successful private university in Mexico, as Secretary of Education. The taboo may not have been abolished but this attempted designation certainly was: the usually staid Rectors' Association rose up in rebellion along with the national teachers' union; the President backtracked, and then named a non-threatening state university rector as Secretary of Education.

Today, government officials openly talk of 'using' the market as a lever for change. For example, in a recent interview with our research team a state official acknowledged that the best way to manage the private sector, from the government

standpoint, is to promote competition; therefore his boss the Governor openly lobbied the prestigious Monterrey Technical Institute to set up shop in his state in order to force the lesser institutions to improve. His office is also pushing these demand-absorbing institutions to become accredited and to introduce ISO recognition of their administrative processes. Thus, regulating the role of the private sector is on the agenda, and diverse options are being explored by policy makers. A far cry from a decade ago.

7. DISCUSSION AND CONCLUSIONS

Before proceeding with a more specific analysis of this process, it is useful to briefly consider the general characteristics of the political and economic context in the Mexican case. First, higher education reforms were launched within a centralised but paradoxically fragmented and ineffective policy subsystem. The central government, that is, the executive branch (with minor participation by the legislature, except to authorise funding), made the principal decisions, but its authority was fragmented at the top into two public sectors; and its decisions were constantly subjected to political negotiations with the universities and their mobilised constituents. With hindsight, it is reasonable to state that reforming this subsystem in order to rebuild state capacity was itself a major priority of higher education policy.

Second, the wider structure of public administration has been changing as it moves toward decentralisation, that is, devolution of powers and attributions from the federal to the state and municipal levels of government.

Third, the national political setting has undergone important changes toward pluralism, competition, democratisation and greater separation of powers. Today, higher education policy must be made and implemented in the context of divided governments, where one party controls the executive and another party or coalition may control the legislature. The judiciary has woken up from a prolonged slumber and is intervening in policy decisions as well.

Finally, but crucially, the economic context has shifted radically away from being closed and politically controlled toward international competition and the uncertainty that comes with it. The economic boost of the first post-NAFTA years has been overshadowed by other new competitors (such as China) which are today displacing Mexico because of the latter's decreasing national competitiveness in wages, technology, innovation and efficiency. These emerging problems have played an important role in the ongoing critical assessment of results obtained by higher education reforms.

From the perspective of Cerych and Sabatier's formulation, the structure of decision making and implementation of higher education policy has been affected by a number of important changes which are evident in various stages of the policy process:

- policy initiation and consultation with a more diverse policy community;
- budget approval;
- specific policy design and funding allocations;
- implementation;
- evaluation and reformulation.[11] In general terms for the Mexican case, the concept of consecutive stages has less explanatory power than the concept of ongoing interaction between formulation, implementation and reformulation in an evolutionary process. In general, therefore, the critique of the *stages heuristic* as recognised and developed by Sabatier and Jenkins-Smith (1999) is relevant here.

Using both Cerych and Sabatier's framework for higher education policy and the later position expressed by Sabatier and Jenkins-Smith, the analysis below will examine the following aspects: programme goals, the factors affecting implementation and changes in the belief system.

7.1. Analysis of Programme Goals

According to Cerych and Sabatier, success of reforms is critically dependent on two aspects of the goals themselves: clarity and consistency of goal formulation and the amount of change envisaged.

With regard to the first aspect, policy documents for Mexican higher education tend to use general goal statements followed by quite precise formulations of policy instruments. For example, quality improvement was obviously a high priority, but specific goals for quality improvement were not defined. The means to attain these goals were, however, clearly specified in terms of investing in inputs (infrastructure, salaries) and creating evaluation systems. The same may be said of goals pertaining to access and equity, which were formulated in rather general terms but lacking specific standards to be met. Throughout the policy documentation, there is a clearer formulation of and emphasis on policy instruments, whereas the ends themselves received a broader treatment. This strategy – whether it reflects actual ambivalence about goals or not – in effect served the purposes of policy makers who were not under specific constraints to develop policy programmes and could therefore adapt and modify them as the need arose. It also reflects the characteristics of the policy formulation process in the federal government in Mexico at the end of the 1980s: a powerful executive in a one-party system without major constraints from the legislature or the judiciary is a natural setting for a technocratic decision-making process.

As for the depth of the reforms envisaged by policy makers, it is useful to recall Cerych and Sabatier's words: "… the difficulty a reform encounters is likely to be crucially dependent upon its departure from the values and procedures of the existing order" (1986: 12). Now, there is no doubt that the goals set forth in a clear policy statement by Mexican officials in 1989 represented a break with tradition and with values deeply embedded in the higher education system. With its emphasis on quality improvement and assurance, accountability, institutional diversification and competition for funds, the new policy discourse embodied a drastic shift in values

and expectations. Public universities and technical institutes were accustomed to competing politically for funds, not on the basis of academic performance but on the basis of influence and pressure. Quality had been subsumed under a longstanding push for unregulated expansion. Initial resistance by university rectors and unions was nonetheless overcome by the federal government's use of financial incentives to bring the rectors on board and by public debate which clearly favoured a change in policy.

In terms of *scope*, policy attempted to have an effect on all public sectors (normal schools, universities, technical institutes). Policy affected the private sector only indirectly at first, nonetheless creating significant opportunities for private sector expansion. As the consequences of this unregulated expansion became problematical, policy makers began concerning themselves with more direct regulation of private institutions.

7.2. Factors Affecting Implementation

7.2.1. The First Factor: Adequacy of Causal Theory

With hindsight, it is possible to say the understanding of causal theory was relatively vague in the first wave of policy change in Mexican higher education. Clarity actually emerged and improved over time, as different strategies were attempted and assessed in succeeding efforts to raise quality. At the beginning, it was thought that injecting fresh resources and establishing evaluation mechanisms would lead to quality improvement. When this proved to be too simple a formulation, a new element was added to the quality improvement equation: if faculty were upgraded in their disciplines (by attaining masters and doctoral degrees), quality of teaching and learning would improve. Later, another component was added to the equation, as it became clear that governance and management needed to be reformed as well through specific strategic planning mechanisms imposed on institutions.

As for jurisdiction by policy makers over critical linkages in the higher education system, it was clear from the beginning that academic institutions, especially legally autonomous ones, would not respond to a command strategy, particularly in view of the recent history of politicisation and mobilisation in public universities. In this respect, the role of the Rectors' Association in mediating between the government and institutional leaders became crucial. Additionally, federal policy makers learned that financial incentives are very useful tools in implementing policy in higher education.

7.2.2. The Second Factor: Adequacy of Financial Resources

In general, and over a period of a decade, new financial resources were injected into the higher education system. Fresh funds provided through competitive bidding for institutional development projects clearly contributed to weakening opposition to the reforms, although the rectors' complaint of insufficient resources has never been fully addressed. Additionally, the financial crisis of 1995 brought about serious cutbacks in public expenditures, which took three years to recover the levels reached

in 1994. This uncertainty in year-to-year funding levels has tended to undermine the effectiveness of federal policy toward public universities and technical institutes. Financial constrictions are especially detrimental to technical institutes which operate within a centralised bureaucratic structure and therefore lack the political room to manoeuvre enjoyed by autonomous universities. On the other hand, financial support for the newly created two-year technical institutes is widely deemed to be sufficient (based on reports by institute officials and on complaints by universities of what they perceive as over-generous funding for this new institutional sector).

7.2.3. The Third Factor: Commitment to Objectives by Implementing Agents and Veto/Clearance Points

In the creation of a new sector, the two-year technical institutes, these issues were overcome rather easily. But in the public university sector, implementation by rectors and department heads was uneven and often unenthusiastic at best. The principal instrument applied in overcoming these veto points were financial inducements. The result has been simulation games that produce uneven implementation. This means that as one examines different institutions (and different departments within them), quality improvement and assurance policies are perceived and developed in different ways and with differing intensity.

7.2.4. The Fourth Factor: Interest Group Support

Nonetheless, there has been notable continuity in objectives and programmes across three federal administrations, from 1989 to 2003. This is all the more interesting since this period has not been politically stable: it covers two PRI administrations and the first non-PRI administration in modern Mexican history; it also covers important episodes such as the signing of the North American Free Trade Agreement and the 1995 financial crisis as well as the Zapatista uprising in late 1994.

There are several reasons for this policy resilience throughout a period of great socio-economic change. One explanation has to do with a basic ideological legitimacy for *modernisation* in higher education: in spite of resistance by some rectors and other interest groups, federal policy discourse was able to express a widely felt critique of the crisis reached by higher education in the late 1980s as well as a consensus among elites in academe, policy and business around the need to upgrade and modernise higher education.

Another reason for continuity is that federal policy makers formed an *esprit de corps* and a commitment to policy objectives, in part as a result of their common academic origins. Most policy makers are recruited from highly regarded academic programmes in universities that are friendly to policy objectives. There has been relatively little turnover within a given administration, and policy leaders have been successful in recruiting and training younger policy experts who later develop careers within public administration.

Third, and most significantly, federal policy makers were able very early in the game to neutralise a very important political actor in higher education: university unions. The implementation of merit pay based on individual productivity assessments for academics successfully sidelined the historic role of unions in the battle for pay rises. The new discourse on productivity and quality brought about a process of *individualisation* in academic identity and behaviour, resulting in the abandonment by academics of union participation as a means of economic advancement. Professors thus concentrated on upgrading through obtaining postgraduate degrees and researchers on intensifying productivity through publications.

A fourth explanation for policy continuity is the supportive role of the Rectors' Association (ANUIES) which evolved relatively rapidly from a dissenting pressure group in the early 1990s to represent a positive force for implementation. The Association occupies a singular place as an intermediary in the higher education policy system: on the one hand, it is an association that represents university rectors; but, on the other hand, it receives most of its funding from the federal government, rather than from members' dues. ANUIES carries out an important role in aggregating and expressing the interests of public universities before legislative committees when federal budgets are debated. At the same time, federal officials know they may communicate regularly through ANUIES with rectors as a group.

7.3. Changes in the Belief System

A slight shift in theoretical focus is useful here, taking up the *Advocacy Coalition Framework* presented by Sabatier and Jenkins-Smith (1999) developed after Cerych and Sabatier's earlier study (1986) on higher education policy in Europe. Sabatier and Jenkins-Smith point out that "On major controversies within a *mature* policy subsystem, when policy core beliefs are in dispute, the lineup of allies and opponents tends to be rather stable over periods of a decade or so" (1999: 129).

In contrast, the episodes of change in Mexican higher education policy reveal shifting systemic sands, rather than a mature and stable coalition. This was especially so during the first half of the 1990s when longstanding beliefs were questioned by the collapse of traditional university-state relationships during the turbulent 1980s. To Sabatier and Jenkins-Smith's terminology, this would seem to qualify as a significant *external perturbation* that shook core beliefs. Since that time, however, the dust has settled somewhat, and a relatively stable policy subsystem seems to have developed. In this new context, *secondary beliefs* about the higher education system are in a process of change through experience and learning.

Throughout this period, the levels of government that interact with higher education have multiplied: from a single interaction with a centralist federal government to a multi-level interaction with federal, state and municipal governments; increasingly, international involvements are playing a role in higher education policy as well.

Once again, using the Advocacy Coalition Framework, one important result of policy change in Mexican higher education over the past decade and a half is the

emergence of a policy subsystem with a new set of actors and rules. One notable trait of this scenario is the increased capacity of the state to coordinate higher education. In retrospect, it is probable that achieving this shift in the relationships between the state and higher education has been a central policy goal throughout the 1990s. Put another way, a crucial goal has been accomplishing greater *system coordination*, in order to align higher education with economic reforms and to facilitate international integration of higher education. This implies legitimating system-wide values that align with the public interest, rather than with specific institutional interests.

NOTES

[1] I wish to express my thanks to Don Westerheijden from CHEPS for making available a copy of Cerych and Sabatier and to the anonymous reviewer of the first version of this chapter, whose critique was so useful.

[2] Alliance for International Higher Education Policy Studies, headed by Richard C. Richardson, NYU, with the participation of Canadian colleagues coordinated by Donald Fisher and Kjell Rubinson, UBC. The project web site is at: http://www.nyu.edu/iesp/aiheps.

[3] By design, technical institutes in Mexico do not have a research function, with minor exceptions.

[4] According to a vice rector of the Chilean establishment, "Sylvan has left the academic side of the university largely in the hands of the original administration; the main changes Sylvan has introduced are mandatory English lessons and a greater emphasis on the use of computer technology in education. Our graduates in law, for example, know how to use Excel and make PowerPoint presentations" (Bollag 2003: A23). In effect, teaching English and the use of Microsoft *Office* seems to be the substance of this innovative academic offering.

[5] Social and educational policy in general suffered neglect for the same reason: for several years the federal government's full attention was focused on negotiating the national debt and bringing about macro-economic adjustment.

[6] Carlos Salinas (PRI) was President from 1988 to 1994, Ernesto Zedillo (PRI) to 2000, and Vicente Fox (PAN) to the present.

[7] R&D policy was funded through a World Bank loan. All other higher education programmes were funded from fiscal resources.

[8] The federal Ministry of Education contains two undersecretaries for higher education: one for autonomous universities and one (the Undersecretary for Technical Education) for the highly centralised subsystem of federal technical institutes.

[9] *Reader's Digest* in its Spanish language version in Mexico has initiated the publication of a ranking of public and private higher education institutions. The methodology is based partly on indicators and partly on opinions solicited from experts, business people and academics.

[10] Actually, the conceptual dichotomy of market vs. state in regard to forms of coordination loses explanatory relevance in the current context. It is increasingly clear that intermediate solutions are being attempted in various European nations. One conceptual perspective on these experiments is expressed by the proponents of the *new managerialism in public administration* (see Merrien 2000).

[11] This chapter has expressed special interest in a point brought forth by Cerych and Sabatier: "Of particular interest is the reaction of implementing officials and the government to evidence of programme failure and success. For example, under what circumstances does failure lead to suppression of the evidence, a search for more effective means to attain the same goal, or a change in goals or goal priorities?" (1986: 11).

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