

demand-absorbing subsector's enrollments. Demand-absorbing institutions may be divided into two subcategories: (1) the ones offering programs emulating those in public or private elite universities, and (2) those focusing on professional training in limited specific areas. Both generally have high student:faculty ratios. Some have no faculty holding doctoral degrees in the entire institution.

This three-part classification notwithstanding, some private higher education institutions are really hybrids: blended categories among religion oriented, demand absorbing, and elite. After all, the three main categories are analytical constructs, and their purpose is to guide empirical investigation and then to understand findings and facilitate international comparison.

As Thai private higher education institutions have continued to grow, competition for clientele is a key to their stability in the industry. Some religion-oriented institutions tend to behave increasingly like demand-absorbing ones in shaping their missions and increasing programs in high-demand fields. Likewise, elite universities have enlarged their size, extended programs, and progressively responded to market demands—though they remain “elite” given their high socioeconomic clientele and research. To some extent we thus see reflections of a worldwide trend for even major universities to become more market oriented.

Aside from the market forces that partly limit clear differences among the three private subsectors, government creates a coercive restriction as private higher education institutions are subjected to the same regulations. Also, there is a kind of noncoercive copying choice: a “domino effect” is seen when private elite universities voluntarily emulate functions of public elite universities to attract similar clientele and gain social recognition, and demand-absorbing institutions then imitate the prestigious private elite institutions.

Echoing global patterns, diversification among the three subsectors in Thai private higher education is notable. Yet, an increasing blurriness among these subsectors has appeared, as epitomized by the hybrids. ■

Recognizing the Subsectors in Mexican Private Higher Education

JUAN CARLOS SILAS

Juan Carlos Silas is a PROPHE affiliate and professor in the Department of Education at the Universidad de Monterrey. E-mail: jsilas@udem.edu.mx.

IHE devotes a column in each issue to a contribution from PROPHE, the Program for Research on Private Higher Education, headquartered at the University of Albany. See <http://www.albany.edu/>.

Private higher education in Mexico is growing at a notable pace. Data from 2003–2004 show its 646,000 students account for 33.1 percent of national enrollments. The surge of the last decades has lifted the private sector well over the roughly 15 percent of a quarter century ago. However, private growth has not occurred evenly across all types or categories—based on evidence of the types of licensing and accreditation received.

DEMAND-ABSORBING INSTITUTIONS

The greatest growth has appeared in demand-absorbing institutions—which were still fairly limited when Daniel Levy first categorized Mexico's private sector, in the 1980s. Many of these institutions—popularly labeled as *patito* (little duck), in reference to low quality and other limitations—offer relatively inexpensive undergraduate programs relevant for service sectors (i.e., accounting, marketing, and business) and provide opportunities to lower-income students who have not been accepted at public institutions (because of limited, though expanded, slots). More than 300,000 students currently seek degrees from these institutions.

These elite institutions remain especially impressive since they attract accomplished candidates, especially from privileged backgrounds and secondary schools.

The proliferation of low-profile institutions is a double-sided issue. It provides modest-background students with a chance to get a credential, join the competitive job market, and climb the socioeconomic ladder. However, these institutions have no reputation for providing high-quality education, which means that students may not be prepared for a desired professional future.

The expansion of the demand-absorbing subsector follows a wider Latin American (and global) tendency, led earlier in the region by Brazil. Meanwhile, data indicate that the private subsector that dominated Mexican private higher education a quarter century ago—elite institutions—are still important. These elite institutions remain especially impressive since they attract accomplished candidates, especially from privileged backgrounds and secondary schools. Some of them have grown in regional breadth and, importantly, in the fields they offer—often adding components of research and graduate education. In contrast, religious higher education seems to be heading in two directions: focusing on middle-income, traditional-values families in large cities (becoming “niche institutions” in a sense) or trying to act like elite, secular universities.

LICENSE AND ACCREDITATION

It is necessary to differentiate between the license to operate as a higher education institution and being accredited as an institution (or having individual programs that are accredited).

Legally, private institutions are required to comply only with the rules stated by the Ministry of Education. Nevertheless, the accreditation issue is becoming more relevant and is perceived as a proof of seriousness and a way to gain legitimacy in the higher education realm and the postsecondary market. Going through an accreditation process is a “plus” many institutions perceive as a good idea but on which not every institution focuses. Investing time and resources in order to get accredited is logical and feasible for elite institutions but may be problematic for many demand absorbers.

The accreditation issue is becoming more relevant and is perceived as a proof of seriousness and a way to gain legitimacy in the higher education realm and the postsecondary market.

In this sense, it is appropriate to take a look at the four basic schemes of accreditation operating in Mexico. The first three involve institution-wide analyses, the fourth academic or professional programs: (a) international accreditation such as the one granted by the Southern Association of Colleges and Schools (SACS), which only four (elite, private) institutions in Mexico have; (b) membership in the National Association of Universities and Institutes of Higher Education (ANUIES), as only 22 privates have; (c) membership in the Federación de Instituciones Mexicanas Particulares de Educación Superior (FIMPES)—77 private institutions, some of which are graduate or normal schools only; and (d) having programs accredited by one of the 15 organizations officially recognized as accrediting bodies by the “Consejo para la Acreditación de la Educación Superior”—32 private institutions have at least one accredited program. Although membership in ANUIES or FIMPES is not formally an accreditation, it could be interpreted as rather equivalent to that because institutions interested in joining them have to show strength on a number of issues related to academe, faculty, facilities, etc.

A THREE-TIER TAXONOMY

One way to address the diversity of private institutions in Mexico and help to differentiate between the academically sound institutions and the ones trying to improve or the ones that are not looking for improved status is through a classification based on their accreditation. This approach yields a three-tier taxonomy: (1) high profile (having at least two of the four mentioned accreditations), (2) midprofile (having one of the above-mentioned accreditations), and (3) low profile (institutions without accreditation, having only the license to operate). The first category roughly corresponds to the classically labeled elite subsector and the third is closely related to the demand-absorbing one; a contribution of this taxonomy is the second category, which helps to show institutions with a more mixed standing than an elite vs. demand-absorbing dichotomy would capture.

In the 2002–2003 school year, the 28 high-profile institutions enrolled about 230,000 students (37.0 percent of the private enrollments), the 63 midprofile institutions enrolled about 89,000 students (14.3 percent), and the 643 low-profile institutions enrolled some 302,000 students (48.7 percent). The data show that contrary to stereotypes many private nonelite institutions are serious about seeking some form of quality and standing. Yet most low-profile institutions, because of lack of interest or budgetary limitations due to their dependency on student fees, are not presently on this road.

This taxonomy builds on the data from the accreditation processes being carried out in Mexico. In this sense the numerical growth of the high and midprofile groups of institutions will depend on the accreditation processes institutions go through. This of course will depend on the initiative of nonelite private institutions and their willingness to improve major aspects of their academic performance. In any event, it is clear that Mexico has notable variations within its private higher education sector, numerically weighted now to the low-profile or demand-absorbers but probably still with ample change in progress. This situation is not restricted to Mexico; to a significant extent, similar statements could be made about much of Latin America. ■

The Benefits of Higher Education: A 50-State Analysis

SARAH KRICHELS

Sarah Krichels is a research analyst at the Institute for Higher Education Policy. Address: IHEP, 1320 19th St. NW, Suite 400, Washington, DC 20036. E-mail: skrichels@ihep.org.

It is widely held that investing in higher education can bring significant benefits to both individuals and society as a whole. In terms of the global economy, the importance of higher education becomes paramount as knowledge plays an increasingly key role in economic development. Both in the United States and abroad, many studies have articulated the benefits of higher education, showing that an educated workforce increases productivity along with individuals' ability to sustain employment and earn higher income. Subsequently, the nation sees a return in the form of a higher tax base and a rise in demand for goods and services. In addition, so the argument goes, an educated workforce with a lower unemployment rate diminishes the demand for government-provided social services.

In the report *Financing Education—Investments and Returns*, published by UNESCO in 2002, researchers found that in 16 middle-income countries, human capital investments may have accounted for roughly half a percentage point in the annual growth rates of those countries. Likewise, a number of