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Leaders in International Higher Education

At a Crossroads: Key Points for Senior International Officers and International Education Leaders

Ferreira, M. M., Avitabile, C., Alvarez, J. B., Paz, F. H., & Urzua, S. (2017). [*At a crossroads: Higher education in Latin America and the Caribbean*](#). Washington, DC: The World Bank.

At a Crossroads is a volume published by the World Bank that explores “three important aspects of higher education in Latin America and the Caribbean: quality, variety, and equity” (p. 1). The authors make an argument that higher education in this region is at a crossroads following a systemic expansion due to the economic growth in the early 2000s. Growth in higher education provided access to students from low and middle income backgrounds, however rapid growth also created concerns regarding educational quality, and ultimately questions on education equity in this region. As policy decisions can have long-term and far reaching impact, this volume aims to provide an overview of the current state of higher education in Latin American and the Caribbean by examining the role of undergraduate instruction and its derivative impact on private returns to higher education.

Several stylized facts were observed during this study:

- “The region has experienced a large, rapid expansion in higher education since the early 2000s... [More specifically,] enrollment growth in Latin America and the Caribbean [was] accompanied by a large supply-side expansion [of] approximately 2,300 new HEIs (higher education institutions) [and] 30,000 new programs...” (p. 6).
- “Higher education access became more equal, although access is still more prevalent at higher income levels” (p. 8).



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- “The private sector played a critical role in the higher education expansion [by opening new programs, creating duplicate programs already offered at other institutions, creating non-selective programs for students who were otherwise denied entry, etc]” (p. 10).
- “When measured by outcomes, higher education quality is found lacking... [There] is a lack of agreement over the expected outcomes of education [and] quality measures are largely dictated by data availability” (p. 12).
- “When measured by inputs, the higher education quality picture is mixed” (p. 14).
- “There is more variety of institutions and programs, but still little variety of fields of study” (p. 16). For instance, this region graduates less researchers and engineers, and more teachers, business, law, or social sciences in comparison to the US and the UK (p. 17).
- “Returns are high, but declining and heterogeneous” (p. 21). In other words, while completing or partially completing a higher degree yields a significant rate of return, the difference in these returns have declined due to supply-side factors (entry of lower ability students) and the asymmetric elasticity for skilled and unskilled labor demands in national markets.
- “Several institutional features point to potential inefficiencies” (p. 23). For example, “strong tradition of university autonomy from policy makers and government, a feature that makes it remarkably difficult to hold universities accountable for public funding they receive... little funding [is awarded for their research] students [...] are not held accountable for their outcomes” (p. 24).

The following findings were developed through the analysis of the collected data:

- “Higher education access grew as a result of supply and demand” (p. 24). Demand grew as the number of high school graduates, personal income, and availability of scholarship and loans increased.



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- “More students gained access – yet not all students gained access to the same options” (p. 24). In other words, while access to higher education increased, access to the same caliber and selectivity of programs was not the same.
- “Not only did the expansion attract new students but it also affected their choices” (p. 26). As the market developed a more diverse supply of higher education institutions and programs, student selection (ie short vs long-cycle degree programs, public vs private, selective vs non-selective) also diversified.
- “In opening new programs, HEIs sought to exploit new opportunities” (p. 26), such as repackaging or redeveloping programs in specific fields with high labor demands, while taking into consideration fixed costs that could be shared with existing programs.
- “Competitive pressures are strongest in midtier programs” (p. 27)
- “Funding mechanisms may have unintended consequences” (p. 27). In other words, the creation of more funding resources to cover the cost of tuition (i.e. subsidies, loans, or scholarships) influenced the type of student to pursue a higher degree, and provided different levels of incentives to complete their education (i.e. universal free tuition tended to attract students who were likely to drop out, students who took out loans were highly motivated to graduate)
- “We can expect only so much from higher education” (p. 29). While education could be perceived as the great equalizer, “expanding the number of graduates (not merely enrollees) alone would have limited effects on skills and wage inequality and would take decades to materialize in full [which carries] two policy implications” (p. 30). First, complementary reforms are needed in higher education to strengthen the connection between higher education and the labor market; and second, investment must occur in society beyond higher education to ensure the market would maximize the potential of an educated workforce.



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There are several policy implications based on this report. First, as policy makers must deliberate on the concepts of access as well as completion of higher education. For instance, depending on their educational paradigm, moving towards, refining, or enhancing a paradigm of restricted or open access to higher education will yield different systemic consequences of degree completion at the local, national, and regional level. Depending on the access paradigm that grounds policy, policy makers need to consider the additional resources needed to support their strategy, and as well as the opportunity costs to the current pipeline (prior to and after higher education). Second, as the expansion of higher education in Latin America and the Caribbean stabilizes, it is suggested that increased attention to the use and implementation of incentives, competition, oversight (monitoring/accountability/regulation), and the generation and dissemination of information would increase systemic efficiency within the educational ecosystem within national borders and across the region. Third, policy makers need to consider the societal and economic context in which higher education within individual countries operate. For example, academic readiness from secondary school graduates, as well as the changing needs of the national and regional labor market may act as drivers that refocus policy initiatives and strategies to enhance economic productivity, innovation, and entrepreneurship.

Summary prepared by Yulisa Lin

Link to Resource:

<https://openknowledge.worldbank.org/bitstream/handle/10986/26489/9781464810145.pdf?sequence=2&isAllowed=y>