Higher education in emerging markets: a comparative commentary

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Higher education is vital to sustainability and global competitiveness of emerging market nations. This is both an exciting and perilous time for policymakers because their nations' futures depend upon the human capital of new workers moving into organizational roles. There are two basic viewpoints toward higher education. One holds that it is a right, and that government has an obligation to ensure access to all who want it. The other contends that education is a private investment in human capital, and that the recipients should bear the cost. Equally daunting are the unique legacy and context issues that confront each nation's approach to higher education.

This comparative commentary looks at peer emerging markets in three global regions; MENA, Asia, and South America. Its purpose is to profile the issues and choices faced by governmental organizations in the context of strategies for higher education access, quality and funding. The countries selected are Morocco, Thailand, and Chile (see Table I). Although vibrant and exciting markets, none is the largest or richest in their regions. Nor are they poor. They represent mid-level development in their regions, as reasonably comparative examples. It is observed that each system, having similar resource challenges, approaches higher education in ways specific to their own constraints and leadership. The benchmark variables being compared concern educational funding for individuals and the extent to which disadvantaged students have access. Also discussed are privatization trends, and how each country leverages its strategic higher education strengths into regionally relevant learning and development.

Thai education strategy – a political football

Thailand is a relative newcomer to higher education. It has very altruistic definitions of education as being beneficial to the nation, although access to quality education is demographically limited. The higher education system continues to favor the affluent. Tuition grants based on competitive testing tend to go to the rich who are likely to be better prepared. There is scant means for poor students to procure tuition money (Jones, 2012). Thailand has had student loan programs in place in the past. Used as an electioneering tool, they were suspended in 2006 due to poor oversight and high default rates. Several governments later, student loans have not progressed much beyond rhetoric. Part of the simmering social unrest that always seems ready to erupt again, is related to weak access to skills and employment among young adults.

Public universities are being de-funded and made autonomous. As government funding gets weaker, private universities are left to the task of quality in education. Unfortunately, Thailand has isolated itself by creating huge barriers to foreign universities that might want to come in. While Thai students leave in droves for foreign education, interest is virtually nonexistent for inbound international students.

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Table I Comparative statistics of selected emerging market countries

	Morocco	*Thailand*	*Chile*
Number of public universities	14	80	56
Number of public university students	300,000	419,000	247,000
Number of private universities	116	72	89
Number of private university students	35,000	18,000	177,000
Percentage of GDP to education	5.7	3.8	4.5
Percentage of GDP to higher education	<1	<1	1/2 of 1%
Dominant system: public/private	Public	Shifting toward private	Private
Student loans available (Y/N)	Y	Y	Y
Structure of free education	Highly competitive entrance exams, low quality	Highly competitive exams, rote learning style	''Subsidize the rich''

Source: World Bank (2012)

Obviously, Thai policy makers need to re-think their strategies toward espoused goals of becoming a regional hub for higher education through joint initiatives and undergraduate student exchanges with universities in Indonesia and Malaysia (Sinhaneti, 2011).

Higher education in Chile – subsidizing the rich

Chile has a very deep higher education history, but is now is an educational system in transition. Today the government funds higher education at a paltry half of 1 percent of GDP (Bernasconi, 2010). So much of the higher education system has been privatized in recent years that government had to create oversight mechanisms so that colleges do not become revenue producing diploma mills. Generous tuition-waiver scholarships are available on a competitive basis for the best performing students who place highly on standardized entrance exams. Of course the poor are less likely to have the highest preparation. ''In other words, it seems like taxpayer resources are used to subsidize those in less need, while the majority of Chileans assume a proportionally higher burden in order to pursue university studies'' (Marmolejo, 2011).

Higher education costs in Chile are among the highest in the world, and most Chileans finish college with a significant student loan debt. Government-backed student loans and favorable repayment schedules for the poor were introduced in 2005. Outstanding student loans are currently considered to be an unfunded liability that the government chooses to ignore in favor of more pressing problems. Students staged protests in 2011 and 2012, some of which were violent, after unpopular president Sebastian Pinera announced wide-ranging cuts in education funding. They demanded but did not receive educational reforms relating to funding and access to education.

Chile is physically isolated from its neighbors by a nearly impassable mountain chain. The government had identified higher education as being a critical link in internationalization with other countries after returning to democracy in the 1990s. Genuine support of these initiatives however, continues to be lacking. Without exchanging faculty or students with other institutions outside the country, Chile is not making its higher education regionally relevant for its young workers.

Morocco as a success story – global and regional strategies

Morocco has reason to be pleased with the positioning of its higher education system, proven by the growing population of students studying locally rather than abroad. Many foreign students are also being attracted to Moroccan universities. A key success strategy is Morocco's decision to align with the Bologna Process which is an educational reform agenda specified in the ''Euro-Mediterranean Area of Higher Education and Research.'' The goal is the ''Europeanization'' of higher education through comparability of degree structures and alignment with quality assurance procedures.

Moroccan students are guaranteed free higher education. However, the poor and rural crowd into the lower quality public universities. Affluent students either go to private schools or find themselves better prepared to qualify for the selective public institutions. The open access public university system is becoming a second-choice option attracting students who cannot afford a private education or who have no other options (Bougroum and Ibourk, 2011).

A growing concern in Morocco from the events of the Arab Spring, is the increasing numbers of unemployed and underemployed young university graduates. Overall, Morocco is capitalizing brilliantly on its attractiveness and advantages at the gateway to Europe, in the heart of the Maghreb.

Summary conclusions – implications from practice

In order to be globally competitive, developing countries need to provide quality education to larger numbers of students in an environment of limited budget resources. Social unrest experienced in Morocco, Thailand, and Chile adds to the urgency for effective action.

Winning strategies for a developing market – capitalizing on regional advantages

Best practices would observe that successful higher education systems need to leverage their regional interests to help the employability of graduates, as well as bring foreign students into the country to study. Favorable future views for higher education in emerging markets can be observed in these example cases where maximum employability of graduates is facilitated through regionally relevant learning. There are a number of ways to bring this vibrancy. In a global trend of students staying closer to home for their education (Mourshed *et al.*, 2012), supplying quality higher education is no longer solely the domain of foreign (i.e. western style) providers. Universities are marketing themselves more widely, and seeking legitimacy through comparing themselves to peer institutions both domestic and international. Policymakers need to be prepared to jettison failed models and antiquated methods.

Privatization – a double-edged sword

Passing higher education off to private schools is an easy way to save government resources, although control is also relinquished in the process. Private schools create competitive pressure that is beneficial to the state operated schools, but in excess become little more than a form of commerce.

Smart use of educational resources – investing in future generations

A great unresolved challenge is in creating wide access for ambitious students irrespective of their family incomes. Emerging market policymakers need to strike a balance between facilitating education and giving too much. Manageable student loan funding is a way to maximize the perceived human capital value of education, while also recapturing the financial capital so that it can go out to other students.

Social inequalities are perpetuated through the structures of higher education in all three developing regions reviewed. Sustainable educational strategy cannot be implemented quickly, and societal results are hard to quantify both short and long term. This makes it hard to judge and justify the high costs of education. However, there is little doubt that the development of a country's youth to take their rightful place and maximize their service potential, is the great resource hope of each nation.

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