Many observers would envy Ecuador’s public universities, following adoption of a new governing law and the 2008 Constitution, which abolished all student fees. But its 25 public universities are in the odd position of getting too much of a good thing. Elsewhere, advocates for public universities lament a trend toward marketization and privatization and decry shrunken financial contributions from government. Higher education in Ecuador is about to find out if the recent reforms could be problematic, as strings tighten that have just been attached to universities under a bold experiment. There is a particular worry about the threat to university autonomy. Although the higher education system in Ecuador is still in the process of consolidation and growth, this article offers a general view of where it is moving in response to presidential and legislative initiatives.

**AUTONOMY, THE MARKET, AND THE 2008 CONSTITUTION**

Ecuador’s first governing Law of Higher Education dates back only to 1938; and it contains—alongside the principle of autonomy—provisions for cogovernance
and academic freedom. Revisions of the law in 1946, 1982, and 1990 configured the system of higher education including the establishment of the principle of self-government by the system of higher education institutions as a whole. The overall system conducted allocating the annual budget provided by the central government. But the pendulum has swung away from this no-strings-attached autonomy, because critics objected to growth of higher education that was unplanned and detached from national development goals.

In 2007, Rafael Correa assumed the presidency as an “outsider” to Ecuadorian politics, thanks to broad public support to change the system. In 2005, this economics professor at the private San Francisco University (with a 2001 PhD from the University of Illinois) had been briefly appointed as Ecuador’s minister of the economy. In his first presidential campaign he presented himself primarily as an intellectual with experience in the university.

The underlying higher education dilemmas facing President Correa were the same facing other Latin American nations, where decades-long, haphazard growth of higher education (especially private) denied government leaders one of the tools they believed could shape civil society, harness education to development goals, and preserve their own political power. When President Correa amply won a run-off election in 2007, he proclaimed a “Citizen’s Revolution” that was inspired by “Socialism for the 21st Century.” One of his first proposals was to convene a Constitutional Assembly that would prepare a new constitution (subsequently approved in a national referendum).
TRADING SUBSIDY FOR QUALITY CONTROL BY THE GOVERNMENT

The 2008 Constitution promulgated many changes: expanding presidential power, changing land-tenancy rights, natural-resource management, and laws about communications media. But, among these many profound changes in the state-society relations, one of the most expensive has been the reform of higher education.

Until 2008, the student fees of Ecuador’s 25 public universities were low compared to the country’s 38 private universities. In 2008, most public universities charged a maximum of about US$800, using a scale based on family income. Though relatively modest, these fees covered a significant share of operating budgets. Student demands for particular programs helped justify and finance them. But student fees were constitutionally eliminated beginning in 2009. Today, public universities must depend almost exclusively on annual, supplemental appropriations from the central government, which has begun directly to underwrite university budgets without regard to student enrollments or demand. As yet, Ecuador has no formula linking numbers of students to appropriations, and it is unclear whether increases in appropriations will follow growing numbers of students.

UNDECIDED: UPCOMING HIGHER EDUCATION PLANNERS

Ecuador’s 2010 law establishes a secretary of science, technology, higher education, and innovation. This is in itself innovative in a country where higher education has been autonomous and insulated from political power. The dependence of higher education on national policies and the need of universities to report to a central administrative body is a sharp break from the total
autonomy that prevailed in the past. The new secretary has responsibility both for managing financial appropriations to public universities and for linking postsecondary education to the national planning.

**THE PERIL OF TOTAL FINANCING**

Despite some positive consequences of the government’s direct control of higher education planning and funding, pervasive doubts exist in public universities about their future. One problem relates to graduate education in Ecuador. All approvals for new programs now require approval from the Ministry of Higher Education. The procedures for approving new graduate programs have been stalled. Another concern involves the daily relationships between the secretary and the universities, especially in regard to the stability of their finance. There is a need for alternative measures to overcome the budgetary limitations imposed by the free education. Although the “Socialism of the 21st Century” has rejected a market-driven enrollment model, it is not yet clear what criteria the government will use to decide the numbers of students who can enroll with full financing in particular universities and which programs will receive approval for expansion (or be targeted for closure)? Naturally, the government seeks to align such basic and (now expensive) decisions with the national development plan and with primary and secondary education. Finally, universities have little ability to plan for construction and renovation of buildings, facilities, and laboratories.
Final Caveat: The Privates

In Ecuador, private universities are a key part of the higher education system, and several are considered highly effective. But there are many credentialing, “storefront” businesses, as well. In the last official accreditation process, of the 11 universities ranked in the highest category, 7 were public and 4 private. By contrast, of the 26 institutions ranked in the lowest category, only 2 were public and 24 private.

The future of top-private universities depends on their own abilities, because they do not have the same budget constraints as do the public universities. They create (and take advantage of) market pressures and opportunities, thereby moving the overall system of higher education even further from state control.

If quality in public higher education declines as a result of reduced funding, the middle class may exit public universities just as they already have departed from public primary schools. In any case, the grand bargain of total subsidy will impose severe constraints on Ecuador’s ability to invest in other areas of the education system.

Ecuadorian higher education was a long static system prior to the constitutional reform, and it required change. However, a comprehensive vision for the future of university education is lacking. “Free” public education will not help transform teaching institutions or broaden their mission to include research or national development.