

6. FINANCIAL ASPECTS

Budget and expenditure

The public budget for higher education in the region amounts to over US\$ 7,000 million, which represents an average of 20.4% of the budget for all levels of education, and 2.7% of the national budget. Total public spending on higher education exceeds US\$ 9,000 million and the public sector's unit expenditure is approximately US\$ 2,000. Public spending accounts for 0.88% of the GDP.

Table 6.1
Relation between the budget and public spending on higher education. Regional totals. 1994

Total region	Total region US\$	Higher Education as a percentage of national budget.	Public expendi- ture as a percentag e of GDP
Budget	7,414,292,584 a	20.4	
Public spending	9,278,122,596 b		0.88
Average unit expenditure	2,024		
Average unit expenditure of the universities	3,011		

Source: Tables 27 and 28, Appendix II

a) In Brazil, Paraguay, Uruguay and Venezuela only the budget of the universities is included.

b) In Brazil and Uruguay only the public spending on universities is included.

The unit expenditure on universities (US\$ 3,011) is higher than the total average unit expenditure (US\$ 2,024), showing that although sufficient data on the non-university institution sector is not available - the unit expenditure on these institutions is much lower, as can be seen from the information available on the five countries whose average is US\$ 919.

Although no international figures are available, it can roughly be said that if the proportion allocated to higher education is high compared to the education budget (20.2% of the region's average, compared with 16.4% in France), the cost per student is lower than in many industrialized countries (in France it was 42,800; approx. US\$ 8,500 in 1993); but above all the proportion of the higher education budget as a percentage of the GDP is low if compared to the French case: 0.88% in Latin America and 1.2% in France.¹

Differences between countries

Although *public expenditure as a proportion of the GDP* in the region is 0.88%, the differences between countries are significant. In eight countries alone, public spending as a percentage of GDP is in excess of 1%: Cuba, Panama, Bolivia, Costa Rica, Venezuela, Honduras, Guatemala y Nicaragua.

Furthermore, Venezuela, Brazil and Nicaragua are the countries where the highest proportion of the *education budget goes on higher education*. But it is interesting to note that although Brazil, Chile and Colombia are the countries with the fastest growing private sector, this has not led to a reduction of the proportion of the general education budget spent on public higher education. Hence Brazil - a country with a very large private sector (58% of enrolments) - absorbs 35.5% of the education budget, which belies the belief that as the private sector expands, the burden on the public sector diminishes and guarantees the availability of a larger proportion of the education budget for the levels preceding higher education. Contrasting with this case there is Mexico, which has a weaker private sector (with 26.2% of enrolments in this sector), and a higher education budget that absorbs only 10.4% of the education budget. Likewise, Argentina where the private sector accounts for 20.3% of enrolments, absorbs 16.5% of the education budget, which is less than Brazil, Colombia and Chile. Only in the case of El Salvador and the Dominican Republic, is the proportion of the private sector as high as the higher education budget compared to the education budget..

Table 6-2
Comparison of the proportion of the higher education budget as a percentage of the education budget: and size of the private sector. 1994

Range of percentages	Country	Higher Education budget as a proportion of the Education Budget %	Proportion of enrolment in private sector %
Over 40%	Venezuela,	43.6	35.6
	Brazil	35.5	58.4

¹ Direction de l'évaluation de la prospective de l'Éducation Nationale, 1993

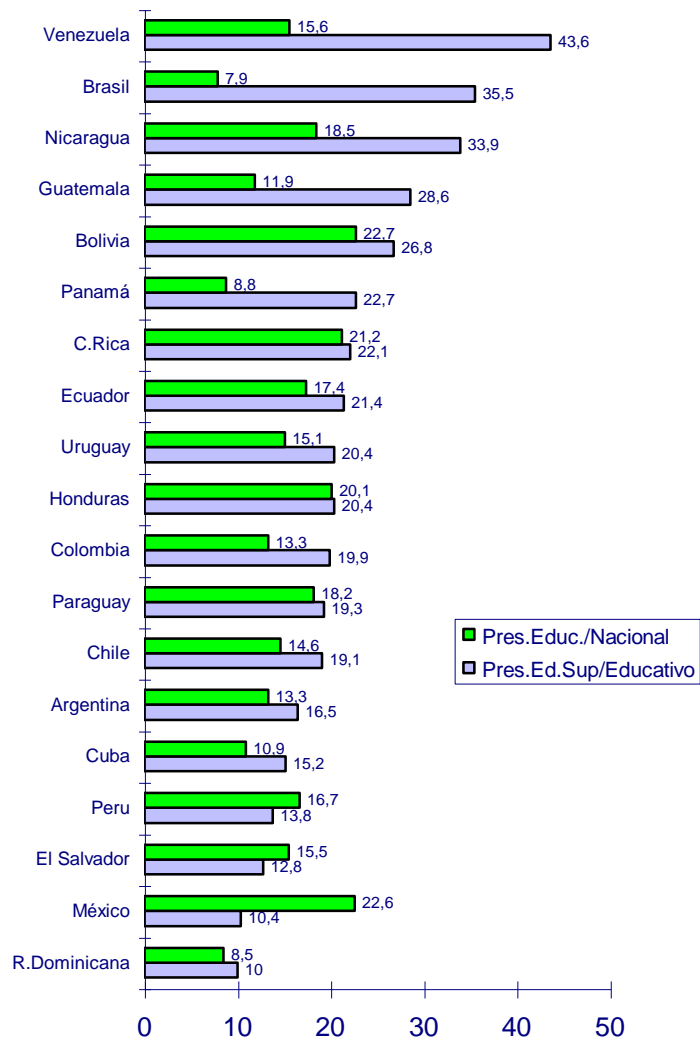
30-40%	Nicaragua	33.9	34.2
	Guatemala	28.6	28.8
	Bolivia	26.8	8.5
	Panama	22.7	8.4
20-30%	Costa Rica	22.1	23.9
	Ecuador	21.4	23.2
	Uruguay	20.4	6.0
	Honduras	20.4	12.5
15-20%	Colombia	19.9	64.1
	Paraguay	19.3	46.7
	Chile	19.1	53.6
	Argentina	16.5	20.3
	Cuba	15.2
10-15%	Peru	13.8	35.9
	El Salvador	12.8	69.1
	Mexico	10.4	25.2
	Dominican Rep.	10.0	71.2
Average		20.4	38.1

Source: Table 27 and 12, Appendix II

Brazil has the highest *public sector unit expenditure*, both for universities, which is US\$ 6,997, and as a whole - i.e. the sum total of the universities and the other HEI's is US\$ 5,793. This may partly explain the high quality of its public sector. At an intermediate level are Venezuela, Colombia, Argentina, Chile and Uruguay, with an average expenditure on universities of US\$ 2,000 to 3,000. At a third level are Costa Rica, Paraguay, Panama and Cuba, whose average unit expenditure on universities is between US\$ 1,000 and 2,000. The rest of the countries have averages of less than US\$ 1,000.

Figure 6.1
Higher Education Budget as a percentage of the National Education Budget; and National Education Budget as a percentage of the National Budget. 1994

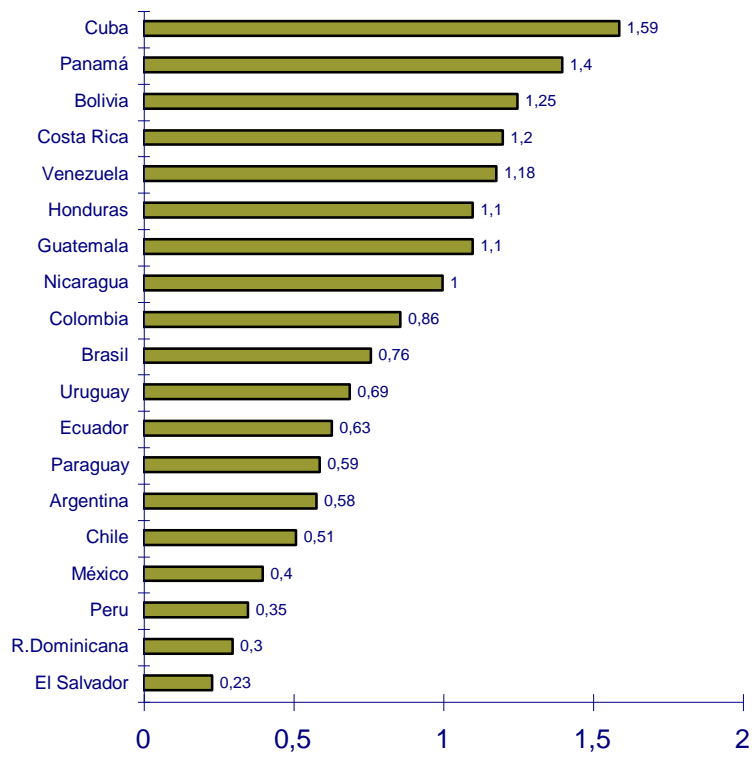
OJO: cambiar nombres países y comas por puntos
cuadrito:
- national education budget
- higher education budget



Source: Table 27, Appendix II

Figure 6.2
Total public expenditure on higher education as a percentage of the GDP (US\$).1994

OJO: cambiar nombres países y comas por puntos



Source: Table 28, Appendix II

Figure 6.3

Total public sector unit expenditure and public sector unit expenditure on universities. USA. 1994

OJO: cambiar nombres países, revisar si se cambiaron puntos por comas y cambiar cuadrado:

- Total public unit expenditure
- Public unit expenditure on universities

Source: Table 29, Appendix II