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"La educación superior en Brasil: ¿la privada es la mejor manera?"

"Higher Education in Brazil: Is private the best way?"

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Resumen: La mayoría de las mejores universidades de Brasil están financiadas con fondos públicos, pero el sector público de la educación superior en Brasil aportó sólo el 11,9% en 2002. Las admisiones se han vuelto difíciles debido a las pruebas de exasperación. Como resultado, los estudiantes miran al sector privado como una manera de encontrar la educación superior. Este trabajo analizará el crecimiento, la razón, las cuestiones de calidad y la recomendación en la Educación Superior con fines de lucro en Brasil.
Palabra claves: Universidad, Educación Privada, Inigualdad

Abstract: The majority of the best universities in Brazil are publicly funded, but the public sector in higher education in Brazil contributed only 11.9% in 2002. Admissions have become difficult due to exhausting testing. As a result, students look into the private sector as a way to find higher education. This paper will analyze the growth, reason, quality issues and recommendation in For-Profit Higher Education in Brazil.
Key Words: For-Profit, Higher Education, Inequality

Introduction

Higher Education in Brazil

As pointed out by Schwartzman (1997, as cited in World Bank, 2002), higher education system in Brazil was characteristic of being static, which still holds true in recent years. According to World Bank (2002), the gross enrollment rate of higher education in Brazil was only 15% in 2001, despite having increased from under 10% in the 1980s, which was still quite low compared to other countries in the region (Argentina 36%; Chile 32%; Uruguay 30%; Venezuela, R.B. 29%), failing to keep up with the country's growing demands for an educated labor force. The reasons behind the stasis include the limited provision, especially at the public sector due to the country's inability to allocate enough funding to the tertiary sector, and the quality & competency of the secondary school graduates.

The tertiary education provision in Brazil, based on the classification of higher education institutions by ownership by Johnstone (1998, as cited in World Bank, 2002), are differentiated as public (federal, state and municipal) and private (religious, entrepreneurial and proprietary). The private religious institutions are traditional private universities with ethos similar to public universities, and are mainly non-profit, the most prominent of which are Catholic universities, known as PUCs (McCowan, 2007). In sharp contrast to religious private HE institutions, entrepreneurial ones are new and highly commercialized non-profit institutions, taking advantage of non-profit tax advantages, while proprietary private HE institutions are purely for-profit and recently legalized, but without tax advantages. Based on the classification by institutional type (Johnstone, 1998, as cited in World Bank, 2002), the tertiary education provision is differentiated as universities (universities with doctoral training and faculty scholarship and teaching universities) and non-universities (single-faculty institutions and multiple faculties' institutions).

Issues & Questions

The predominant issue within Brazil higher education system is inequality, which also characterizes the country's income distribution with its high Gini coefficient of 54.7% (World Bank Data, 2009), despite Brazil being an upper middle-income economy. The inequality is pretty dramatic, when looking at the composition of enrollment by ownership. The majority of the best universities are publicly funded, but the public sector in higher education in Brazil contributed only 11.9% in 2002 (Siqueira, 2009), since the entrance to these public universities is based on the highly competitive examination known as vestibular, therefore excluding graduates from secondary schools of lower quality or those without attending an expensive preparatory course know as pré-vestibular, which is largely dependent on the socio-economic backgrounds of the students. As a result, to meet the excessive demand of higher education in Brazil, there has witnessed the dramatic growth of the for-profit sector, which has offered the mass or lower socio-economic group additional alternatives to public and not-for-profit private universities. It is ironic that in Brazil, majority of those going to the public universities for free and enjoying public benefits are the ones having attended expensive private basic education, while majority of those ending up in private fee-paying institutions are the ones having gone through the public basic education of poorer quality. Also, in terms of type of higher education provision, most of the public institutions are universities, while most of the for-profit private institutions fall in the

type of single faculty non-universities (McCowan, 2004). Furthermore, within the private sector, inequalities are reproduced, by means of quality of education and consequent value of diploma in the labor market, in proportion to the amount they can spend on tuition, which means the poorer and in more need receives the worse. In fact, the expansion in higher education in Brazil mainly occurs in the for-profit sectors, catering to the students from middle and lower income families, which means that the overall higher education expansion in Brazil is an inequitable one.

Since the public sector cannot fulfill the growing demands of students accessing higher education, the lower cost private for-profit higher education is kind of better than none at all. Also due to the inability of Brazilian government to regulate educational financing and to ensure equality in higher education, there is no way that the state could effectively intervene the private for-profit sector to ensure its expansion with equity (McCowan, 2007). The research question for this paper is: Under the inequitable expansion of higher education system in Brazil, what efforts and how could the private for-profit higher education institutions do to improve their quality and elevate the value of their diploma in the labor market?
This paper will examine the growth of private for-profit higher education in Brazil and explore the motives towards such growth, as well as issues in the private for-profit higher education in terms of quality and value of diploma, to rethink the role of the private for-profit sector could play in higher education system in Brazil. This study will, therefore, contribute to the debates on the quality improvement of higher education system in Latin America.

The Growth of the Private For-Profit Higher Education in Brazil

As stated before, Brazilian education system is far from meeting its demands for higher education, so the HE expansion mainly takes the forms of growth in the number and size of private sector, rather than the increase in the private funding to the public universities, such as tuition fees, which is more dominant in the developed countries (Levy, 1986).

As a result of higher education expansion, there has witnessed a tremendous growth in private sector in Brazil in recent years. According to Instituto Nacional de Estudos e Pesquisas Educacionais (INEP) (2003), the provision in enrollment in the public sector has increased by 28% since 1998, but there has witnessed a notable 133% rise in the private sector during the same period. Also, according to 2002 Census of the Education Ministry (Ribeiro, 2005), about 63.5% of Brazil's college students were enrolled in private institutions, and a new private college was being opened every six hours. Within the private sector, until recently, there have been a high percentage of students in traditional private universities, mainly religious Catholic Universities known as PUCs, which are high-quality universities with both research and instruction, such as PUC Rio and PUC Sao Paulo (McCowan, 2007). However, this rapid growth has occurred more in the for-profit or profit-making non-profit institutions to satisfy the demands of large majority of people who are unable to be admitted into the public universities with low cost since the 1990s. Among the 905 private higher education institutions, the majority of 79 % are for-profit HE institutions with single faculty, while PUCs account for only 9% (83 institutions) (World Bank, 2002). What is astonishing is that six of the ten largest universities in Brazil are now private (INEP, 2003).

Since many of the private higher education institutions are for-profit, or highly commercialized non-for-profit, many of them belong to the major business groups. For example, UniverCidade (sic), which is a university center based in Rio de Janeiro, having the autonomy without the interference from the Ministry of Education, provides courses at a 40% lower cost at the expense of no research and fewer qualified teaching staff, successfully owning 27,000 students in 17 campuses through rapid expansion by means of branding in all types of media and convenient locations around the city (McCowan, 2007). However, the principal of UniverCidade (sic), Ronald Levinsohn, was notorious for manipulating and bankrupting the finance company. What is interesting is that recent for-profit sector player Pitágoras, by cooperating with US education company Apollo in 2001, even involve previous Inter-American Development Bank Chief Education advisor, Claudio de Moura Castro in its curriculum development. Pitágoras established its first HEI on the model of Apollo's Phoenix University, mainly through standardization, which targets towards quality instruction expansion while with low cost and fewer high-level teachers (Rosenburg, 2002 as cited in McCowan, 2007).

Reasons behind the Growth in Private For-Profit Sector

There are several reasons contributing to the growth of private for-profit higher education in Brazil. The most obvious motive behind is the push from the demand side. Due to the growth of population in the age cohort for higher education, the rising enrollment in secondary education and the need for higher education diplomas by in the labor market, there has been tremendous increase in the need for higher education, not only from the students within age cohort for the higher education but also those workers wishing to return to the higher education institutions. The public sector could only address small proportion of this growing demand, since the growth of public sector is quite slow or static as discussed at the beginning, largely owing to the lack of investment and financing from the government.

Another motive behind comes from the market of private higher education, which has gradually been viewed as an enticing area of investment by many of the entrepreneurs. As estimated by Brazilian company Ideal Invest, the margin of private higher education would reach US$10 billion from US$4 billion in the coming 7 years (McCowan, 2007), which kind of provides a strategic suggestion to the businesses on entering the education market.

The third motive deals with the incentives at the policy levels, including tax exemption and cheap loans for the developing industries, mostly influenced by the multi-lateral agencies such as World Bank and International Monetary Fund, along with their neoliberal policy recommendations of Washington Consensus, which principally focuses on structural adjustment, shrinking of the state, privatization and supporting private enterprise and capital, etc. (Ribeiro, 2005). However, these policy borrowing were not undertaken voluntarily by the Brazilian government, but under the pressure and conditionality on receiving aid from World Bank. Since the 1980s, with the withdrawal of multi-lateral organization UNESCO, bilateral donor the United States and the United Kingdom on providing educational aid in Brazil, World Bank entered and has become the largest international donor on education sector in Brazil (Leher, 1999 as cited in McCowan, 2007). Largely dependent on the funding from World Bank to develop the education system, Brazil has to adopt particular policies, and the policies targeted towards tertiary sector include the diversion of state funding from higher to basic education, especially to the primary

sector, due to the high return investment in primary education and the achievement of Education for All and Millennium Development Goals. The compensation for the retreat of Brazilian public investment in the tertiary sector was realized through inviting private sectors come into play, rather than the diversification of funding sources of public sectors, such as charging students with tuition fees and funding from the private sector for services (Levy, 1986).

The implementation of those neoliberal policies (the third reason) opens up this economic sector for the entrepreneurs and gives out the signal that tertiary sector is a beneficial area of business (the second reason). Therefore, the private sector has started to take the responsibility of absorbing the growing demand for higher education (the first reason), taking over the previous domain of the public sector. The retreating State has created economic opportunities for the private sector, but meanwhile has taken for granted for lack of investment in the tertiary sector.

Quality Issues in Private For-Profit Higher Education in Brazil

Although generally the private sector at the primary and secondary level are of high quality in Brazil, with the exception of traditional private religious universities, there has generated much concern regarding the quality of the new booming private for-profit higher education institutions, particularly strong among professions of law, medicine, and engineering, since the rapid growth particularly at the private sector resulted in the mass perception that the majority of tertiary education in Brazil was shifting away from the quality requirements it should have (Schwartzman, 2013) towards mass expansion. The quality concern has generated another common notion among the country, especially among political leaders and policy makers, that higher education sector in Brazil failed to provide the adequately educated and highly skilled human resource the country needed to develop its economy.

The quality could be measured by the following indicators: programs, qualified staff, student-to-teacher ratio, library and ICT resources, physical and administrative infrastructure, intellectual autonomy, and research & enquiry oriented environment, which are in line with what is stated in the World Declaration on Higher Education for the 21st Century that quality in higher education is a multidimensional conception (UNESCO, 1998).

The major measure of quality in higher education in Brazil is the innovative national assessment known as Provão, introduced in 1996 and designed by advisory committees mostly from public institutions, which is the most transparent assessment in the country with its wide publicity (Schwartzman, 2013). The exam, which is undertaken yearly throughout the country, aims to assess the programs and institutions in which the students are enrolled, rather than measuring the learning outcomes of individual students (McCowan, 2007). The results of the Provâo for each course program are standardized and ranked on a five-point scale from the bottom as E to the top as A (Schwartzman, 2013). According to the Table 1 below, regarding the Provão scores in business administration program in 2000, private higher education institutions as a whole considerably performed worse than the public ones, especially federal universities in obtaining the top as A. Although a proportion of municipal institutions achieved the bottom, the overall performance was better than that of the private ones. In addition, within the private sector, non-profit or traditional institutions generally achieved higher than the for-profit ones, which indicated that the private for-profit higher education was encountering even more severe

quality issues. Although table 1 only displays the result of one academic field, the results is very representative in terms of the distribution of scales by ownership of institutions.

Table 1 Provão scores in business administration in public and private institutions (2000)

	A	B	C	D	E
Federal	43.9%	19.5%	19.5%	7.3%	9.8%
State	31%	16.7%	33.3%	11.9%	7.1%
Municipal	4%	32%	20%	32%	12%
Non-profit prívate	6.7%	23.9%	52.5%	10.4%	6.7%
For-profit prívate	6.7%	12.5%	41.3%	24.5%	14.9%

Source: Schwartzman & Schwartzman (2002)

What is even more remarkable is that students of public universities from the lower socio-economic background (families earning less than 10 times the minimum wage) achieved higher on the provão than students of private universities from the highest socio-economic background (families earning over 20 times the minimum wage) (Bori & Durham, 2000, as cited in McCowan, 2007). However, there are some issues with the assessment provão itself as a measure of quality. One issue is that the assessment results fail to take into account the effects of previous schooling of the students, only focusing on the current academic level of the students, so it is no wonder that highly selective public universities perform far better on Provão than private ones. Another issue is that the assessment is designed by the teachers mostly from the public institutions, so the content of the test and the quality standards may favor the public ones. Another measure of quality from the student side is the completion rate, which is quite low in private institutions with an average of only 32%, in sharp comparison to the 50.3% in federal public institutions and 47.7% in public institutions (Schwartzman & Schwartzman 2002).

In terms of the qualified teaching staff, only 12% of lecturers in private institutions have PhD degree, while 38.2% of lecturers in public institutions hold a PhD degree (INEP). Also, majority of professors in the private institutions are paid on an hourly basis and part-time (Ribeiro, 2005), therefore being unable to provide the benefits for students and the institution. Besides, the student to teacher ratio in private institutions is an average of 16.9 students per teacher, higher than the 12.5 students per teacher in public institutions (INEP, 2003).

With regards to the institution facilities and infrastructure, the differences between public and private institutions are smaller, and variations exist within the private sector, which is largely dependent on the funding of the private institutions. For example, Pitágoras, allocate a large proportion of its funding on the ICT resources and curriculum materials than on teaching and research staff (Rosenburg, 2002 as cited in McCowan, 2007), while some private institutions provide the programs mainly in social sciences & humanities rather than STEM field in order to avoid tremendous investment in the infrastructure (Ribeiro, 2005).

Discussions & Suggestions

What are the possible factors accounting for the lower quality of private higher education institutions in Brazil? One possible factor may deal with the cost and effect. Less influenced by the bureaucratic inefficiency the public sector mainly suffer, the private institutions are able to

keep the cost low but at the expense of quality with regards to the constrained spending on the teaching staff, facilities, etc. The issues of lower quality of private institutions cannot be addressed without the discussion of financial resources principally by means of tuition fees, which indicates that the quality of private higher education is proportionate to the amount of tuition fees being paid to the institutions, therefore increasing the inequality. However, the promotion of privatization raised by World Bank is based on the quality improvement incentivized by the free and competitive private HE market, which is not the case in Brazil, since the higher education market in Brazil is not a competitive one; rather, it is a predetermined one with restricted choice based on the economic, geographic, academic or other factors. Moreover, the private institutions have to sacrifice a large amount of money on marketing and advertising to guarantee its survival (McCowan, 2007), focusing on expansion rather than quality.

The second possible factor is the value of diploma. Once the diploma is accepted in the labor market, the private for-profit institution does not have to concern about its lower quality. In Brazil, the National Council of Education (CNE) was established in licensing the private institutions (Schwartzman & Schwartzman, 2002), but CNE was not strict in course regulation and imposition of the sanctions, along with the corruption for accrediting the license. As stated by Castro& Navarro (1999), after the inspection from CNE, those laboratories and libraries were shipped away to the new institution, which was ready to being inspected for accreditation.

As a whole, due to the weak regulation from CNE, Brazil is encountered with great challenges in examining and improving the quality of the private for-profit institutions. In this case, the quality issues in private HE in Brazil could also be viewed as in correlation with the weak market mechanism and lack of internal rigorous quality control mechanism within education system. What's more, the regulation of the highly commercialized non-for-profit private institutions is fragile, providing the profit-making private institutions with loopholes. Within such context, it seems difficult or kind of impossible for the private for-profit institutions to improve the quality of instruction themselves, even confronted with the entry of powerful foreign education companies. Therefore external measures might have to be taken to enforce the tackling of quality issues, which is mostly in the hand of the state. Future research could be conducted to explore what mechanisms could be employed to improve the quality of the private for-profit higher education institutions and elevate the value of their diploma in the labor market. Along with that, future research could examine what kind of policy Brazil Ministry of Education could borrow to enforce quality control in the private HE market. Also, at the institution level, in forming the partnership with foreign companies, what role the private HE in Brazil should play to ensure its quality and relevance to the local needs.

Due to the language barrier, the literature available in presenting the research topic is limited and not comprehensive.

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