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Initial findings on privatisation and commodification of university in Latin America

This document sums up the initial findings from the research project “Privatisation and commodification of university in Latin America”, currently in progress, in order to provide a contribution to the public debate on university policies and guidelines that set the agenda for this sector at present. This research incorporates an analysis of regional trends and the study of four cases: Argentina, Chile, the Dominican Republic and Peru.

Since the late 20th century, in Latin America higher education has witnessed two major

processes: firstly, considerable expansion – a sustained increase in enrolment, a growing number of institutions, and growth and diversification of study programmes, levels and qualifications; secondly, a decline in public funding. As a result, the aforementioned expansion has taken place in circumstances that have left institutions in a situation of instability. Likewise, with a backdrop of neoliberal hegemony, education in general and universities in particular were viewed as business opportunities and were defined in free trade agreements (FTAs) as marketable services.



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The processes of university privatisation began in the mid-20th century, although by the 1990s they were expanding, accelerating and becoming ever more complex within a trend linked to market creation, internationalisation of higher education and transnational trade.

The processes of privatisation and commodification went on to evolve further in the new century with the number of private institutions growing and the introduction of management mechanisms to regulate education, research and outreach activities. Indeed, they entailed the expansion of the private sector and the public sector becoming prone to market practices and logic.

Hyper-privatisation of university in Latin America

Latin America is one of the two most privatised regions in the world when it comes to universities, along with Southern Asia. It stands out owing to the fact that 55% of enrolment takes place in the private sector, while the figure in Europe stands at 13%, in Asia Pacific at 36% and in North America at 28% (UNESCO-UIS and ÍndicES network). This equates to hyper-privatisation, not only when making a global comparison but also due to the fact that the private sector accounts for a higher number of students than the public sector. In certain countries, student enrolment in the private sector is as high as or even exceeds 70%, as is the case in Chile, El Salvador, Peru and Puerto Rico.

The same trend can be identified when it comes to the number of institutions; indeed, 70% of universities or more belong to the private sector in most countries. In the region as a whole, private institutions account for 67% of all universities. In other words, 2 in every 3 universities in Latin America are private.

Increased demand in higher education and fewer resources for the public sector: the basis for privatisation and commodification of university

Two separate issues lie behind the expansion of the private sector. Firstly, the processes of social distinction and the quest to move in elite circles in a context of increasing ideological privatisation. This is not a widespread trend, but one that has been gaining traction in recent years.

Nevertheless, the primary factor behind the expansion of privatisation stems from the combination of increased demand and fewer resources. There has been a major increase in demand, triggered by the growth in expectations for university education and increased numbers of students successfully completing secondary education.

The gross higher education ratio has increased threefold between 1990 and the present day. Resources have not grown to the same extent. To circumvent this tension caused by greater demand and fewer public resources, selectivity systems have been strengthened



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in public universities, meaning that a large proportion of this demand is diverted towards the medium- or low-cost private sector, as is the case in many countries in the region such as Brazil, Chile, Costa Rica, the Dominican Republic, Paraguay and Peru, among others.

A second element is the fact that public universities are placed in a situation where they need to be self-funded – either in part or in full – by charging fees to undergraduate and postgraduate students and by selling services. In certain cases, as occurs in Chile or Peru, rather than being supplementary, these resources end up being essential for the institutions to survive.

The elimination of distinctions between public and private

The alignment of the public and private sectors can be seen in standards and instruments for regulation. This trend possesses both a material and a symbolic component. The symbolic component relates to the alignment of public and private institutions as if it were the same thing for them to meet a common, public interest, or private interests. In turn, the expansion of mass, private low-cost universities led traditional private universities to be placed in a similar position symbolically to public ones, shifting the baton to commercial/non-commercial, or “high quality/poor quality”, but in doing so undermining other political content when it comes to the public sphere.

This alignment of public and private universities also involves a material component linked to the distribution of State resources

because this distinction in the flow of funds has steadily been eroded to the point of becoming non-existent in relation to certain issues such as financing associated with the career of researcher, research funds, post-graduate scholarships and, last but by no means least, student grants or State-guaranteed loans. This is happening in the four cases examined. Under a veneer of neutrality, common systems are set up for both sectors that are portrayed as being egalitarian; however, in practice they have served as the channel by which a large proportion of public resources have been diverted to the private sector.

Moreover, private universities benefit indirectly from public resources since they are exempt from paying taxes. This tax exemption means a substantial volume of resources is transferred, albeit underhandedly.

The impact of the private university sector on the public sector

A third process we have been able to unpack is the increased scope for private universities to have a direct impact on areas of public policy. The relationship between stakeholders from private universities and the political establishment is well-known. The strategies vary. In the Dominican Republic, university associations are set up to benefit from more representatives working in agencies regulating higher education. In Peru, there is a direct relationship with members of parlia-



ment based on the sources of income the university accounts for. In all the cases examined, there is integration into ministerial spheres or certain assessment and accreditation agencies.

Moreover, it became apparent that private, elite universities exist to educate individuals who would go on to hold high-ranking positions, creating ties with governments that assure they have lobbying capacity on the basis that they are universities with a public spirit of commitment to their country.

One truism that was striking was the hijacking of the notion of autonomy as a banner for private universities, stripping it of its reformist political substance and re-shaping it in liberal terms as a negative freedom against the State. Autonomy emerges as a comfort letter for private universities to not be regulated by the State. It is a process whereby autonomy becomes trivialised in political and historical terms.

Conflicts and challenges

Latin American university systems constitute the backdrop on which major conflicts unfold surrounding the direction in which knowledge and education are heading. These conflicts relate to whether education is a right or a service, and whether knowledge is a shared asset or a commodity. The processes, actions and stakeholders are diverse, but there are common elements and strategies;

the trends are regional, but the forms they take on are local.

The combination of privatisation and commodification, of the expansion of the private sector and the market-oriented focus of the public sector is wide-ranging and calls for urgent action. The ways in which these processes are being encouraged have been falling under the radar, bearing in mind that the differences between public and private have been fading and, at the same time, the private sector is appropriating and redefining the historical banners of the public university, such as autonomy and its role in the democratisation of access to higher education.

This poses huge challenges for university unions and groups. It is not the university system itself that is at stake, but rather its role in building hegemony and its far-reaching capacity to influence public policy.

It is essential to work on some of the root causes that constitute constraints, such as the criteria for distributing resources, the permitting or banning of profit-making, the distinction between public and private, and the identification of the commodified rationale behind the regulation of knowledge and work, among others.

The radicalisation of the public sphere is a proviso for building fairer, more egalitarian societies. In the most unfair, unequal region on the planet – namely, Latin America – the public university has a clear commitment to make and a battle to be had.

The research is available at
<https://go.ei-ie.org/GRAMericaLatina>

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