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Abstract

The aim of the article is to examine the main causes of the crisis in private higher education in Brazil since 2015, characterized by the mass dismissals of teachers, the reduction of salaries of those who remain in private higher education institutions, the overcrowding of classrooms and the greater adhesion of students to distance education in the light of the high costs of classroom-based courses. In addition, one of the objectives is also to offer recommendations for overcoming this situation. The research follows the methodological steps of Sécca & Souza (2009) for the analysis of private higher education in Brazil. The bibliographic research consisted of reading, selecting and organizing topics on the general causes of the crisis of the private higher education sector in Brazil since 2016. The next step was the research of information on specific private higher education institutions in Brazil, divided per region: Southeast, South, Midwest and North / Northeast. The central argument points out that the crisis is closely related to the financial crisis in the country, motivated by the adverse international economic situation and the political chaos caused by allegations of corruption and misappropriation of funds by politicians and businessmen. This forced the Brazilian government to reduce and limit access to student financing contracts drastically from 2015 on, and most students from low-income classes were excluded from entering higher education or had to stop studying. Besides, in the light of a higher number of unemployed people and lower salaries, students were less able to afford the tuition fees of a higher education course at a private institution. To overcome difficulties and attract new students, private higher education institutions can rely on multiple strategies, such as scholarships, alternative financing, discounts for those who pay the current monthly fees and the creation of academic endowments.

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The crisis in private higher education in Brazil: main causes and possible solutions

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Abstract

The aim of the article is to examine the main causes of the crisis in private higher education in Brazil since 2015, characterized by the mass dismissals of teachers, the reduction of salaries of those who remain in private higher education institutions, the overcrowding of classrooms and the greater adhesion of students to distance education in the light of the high costs of classroom-based courses. In addition, one of the objectives is also to offer recommendations for overcoming this situation. The research follows the methodological steps of Sécca & Souza (2009) for the analysis of private higher education in Brazil. The bibliographic research consisted of reading, selecting and organizing topics on the general causes of the crisis of the private higher education sector in Brazil since 2016. The next step was the research of information on specific private higher education institutions in Brazil, divided per region: Southeast, South, Midwest and North / Northeast. The central argument points out that the crisis is closely related to the financial crisis in the country, motivated by the adverse international economic situation and the political chaos caused by allegations of corruption and misappropriation of funds by politicians and businessmen. This forced the Brazilian government to reduce and limit access to student financing contracts drastically from 2015 on, and most students from low-income classes were excluded from entering higher education or had to stop studying. Besides, in the light of a higher number of unemployed people and lower salaries, students were less able to afford the tuition fees of a higher education course at a private institution. To overcome difficulties and attract new students, private higher education institutions can rely on multiple strategies, such as scholarships, alternative financing, discounts for those who pay the current monthly fees and the creation of academic endowments.

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1. Introduction

Brazil has one of the largest private higher education sectors in the world. Brazilian private universities had relevant support from the government for their growth and expansion in the 2000s and the beginning of this decade. Many groups in Brazilian society think of private education in terms of business rather than of a national plan, with focus on quality. However, the national test of graduates (ENADE, its acronym in Portuguese) shows a wide range of quality in the private sector. Besides, private higher education institutions, as parts of the Brazilian National Education Program (PNE, its acronym in Portuguese), often undergo rigid quality checks by Brazil's Ministry of Education (MEC, its acronym in Portuguese) (Bezerra, Niskier & Batourina, 2017, p.24).

For the first time in 11 years, the number of students in the private higher education sector has fallen in Brazil in 2016. Private higher education institutions had 6.05 million students enrolled – 16,500 fewer students than in 2015. For representatives of the sector, the decrease in the number of students in private higher education is due to the reduction of student financing contracts (FIES, the acronym in Portuguese), in the context of the economic crisis in the country. The 2016 Census of Higher Education shows that 8 million students were enrolled in higher education that year, and the private network accounted for 75.3% of enrolments. While public universities have kept the total number of students practically stable (1.99 million), the fall of the number of students in private higher education puts the country even further from reaching the PNE's goals, which aim to raise the net enrolment rate in this stage to 33% of the population aged 18-24. The decrease in enrolments occurred at the same time as the federal government restricted access to FIES. The government established stricter rules for the student to benefit from the financing contracts, such as the requirement for a minimum grade of 450 points in the National High School Exam (ENEM, its acronym in Portuguese) and income ceiling for the candidates (Palhares, 2017).

Private institutions concentrate the largest number of vacant posts – 2.89 million (85.3% of the total) –, while in public universities they correspond to half million (14.7% of vacant posts). The 2016 Census points out different reasons for the vacancy, but most vacant posts are related to students who abandoned their course or did not comply with conditions imposed by the institution. Most students in this situation were in the private network: 86% of almost 2 million students (Oliveira, 2017). In the light of restrictions on student financing and increased failure of the students to pay, many universities in Brazil had to curb investments, seek reductions in the payroll and make some adjustments. The adverse economic scenario led many students to seek lower tuition fees – whether attending fewer disciplines or going after alternative funding – or even stop studying. The dismissal of teachers was the option for some universities in the attempt to stem the effects of non-payment by many students and the lower number of enrolled ones. Many institutions dismissed professors who had the highest salaries (Justino, 2017).

The aim of the article is to examine the main causes of the crisis in private higher education in Brazil since 2016, characterized by the mass dismissals of teachers, the reduction of salaries of those who remain in private higher education institutions, the overcrowding of classrooms and the greater adhesion of students to distance education in the light of the high costs of classroom-based courses. In addition, one of the objectives is also to offer recommendations for overcoming this situation. The central argument points out that the crisis is closely related to the financial crisis in the country, motivated by the adverse

international economic situation and the political chaos caused by allegations of corruption and misappropriation of funds by politicians and businessmen. This forced the Brazilian government to reduce and limit access to student financing contracts drastically from 2015 on, and most students from low-income classes were excluded from entering higher education or had to stop studying. Besides, in the light of a higher number of unemployed people and lower salaries, students were less able to afford the tuition fees of a higher education course at a private institution. To overcome difficulties and attract new students, private higher education institutions can rely on multiple strategies, such as scholarships, alternative financing, discounts for those who pay the current monthly fees and the creation of academic endowments.

2. Theoretical framework

In the 1980s and 1990s, private higher education was a major force in the education realm in many countries regarding the promotion of innovation and economic growth. While in East Asian nations the private sector became dominant, private higher education in Latin American has started to grow since the early 1960s. The private sector has become the fastest-growing segment of higher education in Brazil (Altbach & Levy, 2005). In this country, private higher education has consolidated since 1996, including approximately 2,000 universities, university centers and colleges distributed throughout its territory, but mostly in the Southeastern, Southern and Midwestern regions. 1996 represents a turning point for private higher education in Brazil, because it was the moment of the introduction of a fund which allowed young people to take out loans to study in private higher education institutions (Sampaio, 2000).

The growth of private higher education gave many Brazilian citizens the opportunity to have a degree (undergraduate, master and doctorate) and change their lives. More than 75% of all university students are enrolled in private higher education institutions. A social twist in the Brazilian educational system is evident: after ENEM, young people who study in expensive private high schools can study for free in federal or state universities. However, students from public schools with lower ENEM scores apply for grants to pay for their education in the private higher education sector. Basically, the private sector has the responsibility of bringing these students to the necessary level of knowledge and education (Bezerra, Niskier & Batourina, 2017, p.24-25).

Higher education institutions – public or private – face multiple challenges in Brazil, such as sustaining quality standards, attracting the best staff, remaining flexible, passing rigid audits for accreditation and adapting to numerous changes in regulations. Private higher education institutions in Brazil are better known for courses in the social and humanities fields, while courses more related to technology and biomedical sciences are more expressive in public universities. Taking the courses offered by private institutions into consideration, law is traditionally the most popular, because it brings the opportunity for many students to take exams to work in public institutions and have more stable jobs after they finish the university course (Soares, 2002). It represented 14% of the total number of students in private higher education in Brazil in 2016, followed by management (9%), civil engineering (6%), and finally medical school, pedagogy, and HR management. According to Bezerra, Niskier & Batourina (2017, p.25):

Thus, the growth of the private education sector in Brazil should not be mistaken for a result of the

development of the private business in general, as it is the natural outcome of the National Education Plan (PNE). In fact, this is the core characteristic that differentiates private education in Brazil from, for instance, private education in European countries. Brazilian private universities are an inseparable part, tool, and provider of the PNE. They serve as a joint innovative solution by the country's leaders and highly educated businesspersons, to tackle the problem of the insufficient quantity of higher education institutions and of social inclusion in the country (Bezerra, Niskier & Batourina, 2017, p.25).

In this sense, Brazilian private higher education sector reflects the growing articulation between the state and the market, which brought a greater institutionalization of the sector from the mid-1990s on (Sampaio, 2000). Private higher education has become increasingly subject to compliance with the general norms of national education and the authorization and evaluation of quality by the public administration. Most private higher education institutions must obey the principle of inseparability of teaching, research and extension, although some of them are allowed, according to the legislation, to teach without developing research and extension, which implies lower costs (Barreyro, 2008, p.28).

An extraordinary growth of private higher education in Brazil took place in 2002, with the introduction of the first technological undergraduate courses in private institutions. These courses were of shorter duration and facilitated the admission of students from the low-income social classes, which represented more than a half of the Brazilian student population. Three years later, the ProUni fund – which offered scholarships at private institutions for students from less privileged families – was created. In 2010, the reformulation of the funding structure with FIES brought a reduction of interest rates and an increase of the amortization period, which caused an exponential increase in new enrollments all over the country (Bezerra, Niskier & Batourina, 2017, p.25). Most courses in the private higher education sector are concentrated in the Southeastern, Southern and Midwestern regions of Brazil, while the Northern and Northeastern regions have a preponderance of the public sector. However, the benefits from FIES were also felt by students in private institutions in these two regions. The majority of the courses of the private sector in the Southern region is managed by community and philanthropic institutions, whose importance is much smaller in other regions, such as the Northern and Northeastern regions of the country (Barreyro, 2008, p.34).

The financial crisis – motivated by the adverse international economic situation and the political chaos caused by allegations of corruption and misappropriation of funds by politicians and businessmen – forced the Brazilian government to reduce FIES contracts drastically from 2015 on, and most students from low-income classes were excluded from entering higher education and were not able to keep studying. Many students had other priorities in their expenses and preferred to leave university to cut costs. Besides, although FIES reached almost 40% of the goal established at the PNE for the net enrollment rate from 1996 to 2014, it accounted for less than 15% of the students in 2016 after the sharp reduction of 2015. However, the cost of students at private institutions is lower to the country than that of students at public ones, while the impact of the students in the private sector on Brazilian economy is impressive. Therefore, the association of private universities (ABMES, its acronym in Portuguese) is strategically focusing on pushing

the public authorities to keep investing in scholarships and working with the government to find alternative funding instruments, e.g., the joining of private banks at the financing market for prospective students. Despite the negative effect of the crisis, the private higher education sector preserves its position as one of the most active partners of the government in looking for ways to provide society with opportunities to access higher education and preserve economic growth (Bezerra, Niskier & Batourina, 2017, p.25-26).

3. Methodology

Following the methodological steps of Sécca & Souza (2009, p.106) for the analysis of private higher education in Brazil, the bibliographic research consisted of reading, selecting and organizing topics on the general causes of the crisis of the private higher education sector in Brazil since 2016. The next step was the research of information on specific private higher education institutions in Brazil. Differently from Sécca & Souza (2009), the results of the research were divided per region in Brazil's territory – Southeast, South, Midwest and North / Northeast – to map the causes of the crisis more precisely, taking into consideration the diversity of each region and the particularity of private higher education institutions in these regions. At this step, we used the following sources: information released by governmental institutions, such as the National Institute of Educational Studies and Research (INEP, its acronym in Portuguese), the Brazilian Institute of Geography and Statistics (IBGE, its acronym in Portuguese) and MEC, and statements and data from government officials and private higher education institutions' managers, drawn from the media and think tanks. The analysis of the results focused on the deep causes of the crisis of the private higher education sector and indicated some possible solutions that have already been adopted and recommendations.

4. Results

According to the 2016 Higher Education Census, the number of new students in classroom-based courses dropped by 3.7% from 2015 to 2016. These courses are still more sought by young people than distance learning courses, which are preferred by older people who have already entered the job market. Brazil has 2,407 higher education institutions, of which 87.7% are private and 12.3% are public (federal, state and municipal). Private education concentrates the majority of students: 75.3%. The national average is 2.5 students at the private higher education sector for each one at the public one (São Martinho, 2017).

In 2017, the Education Minister José Mendonça Filho said that the economic crisis led to a slowdown in higher education in the light of the reduction in income and the recession experienced in Brazil since 2015. Another sign that the crisis has affected the demand for higher education is the number of candidates who paid the registration fee and did not take the ENEM exam, which serves as a university entrance test for several public and private universities. In 2017, 7.6 million people registered for the test, but only 6.1 million took the exam. According to INEP, the number of posts to enter higher education institutions is greater than the number of students who come from high school. However, financial problems and lack of prospects of getting the whole course make many students give up studying at a private university, especially in the poorest sections of society. Many students depend on scholarships and

assistance programs from institutions, but not all of them are contemplated by these programs (São Martinho, 2017). Some students, especially the ones who study at evening courses, are losing their jobs and dropping out of private universities to cut expenses. In addition to unemployment, which already affected 1.7 million people in Brazil in 2016 (a growth of 42% in relation to the previous year), another aggravating factor for university students was the budget cut for education and financing, particularly FIES (Evans, 2016).

4.1. Southeast

In the light of the recession and the economic crisis, some private higher education institutions in Southeastern Brazil lost more than 15% of the total number of their students, such as Faculdade Novos Horizontes, in the state of Minas Gerais. Because of that, many institutions dismissed professors. According to the managers of some of these institutions, people feel insecure both from the economic crisis and the cutting in FIES. Because of that, many students give up studying or opt for a distance learning course, which is generally cheaper than a classroom-based one. To avoid the evasion of students, many private institutions are making possible for the indebted ones to divide their debts and pay according to their economic and financial conditions (Evans, 2016).

In São Paulo, the richest state in Brazil, private universities face their worst crisis in 40 years. With the intensification of unemployment, many students gave up studying at a private university to cut expenses or work to help their family to pay for other expenses they have (Instituto Millenium, 2017). Because many universities cannot afford teachers with high levels of student defaults and dropouts, they dismiss employees, often in large numbers. The Methodist University – which has undergraduate and graduate courses renowned in Brazil, in areas such as Social Communication – dismissed more than 60 teachers in the second half of 2017. In August 2017, the Faculdades Metropolitanas Unidas (FMU) dismissed 200 teachers, and Anhembi Morumbi University dismissed at least 150 professionals. Some institutions said they were “restructuring” or “bringing new flexible and modern academic models” to justify the changes that impact not only the lives of dismissed teachers, but also those of the contracted ones, who have to face reduction of their salaries. The payment for many teachers has also been irregular for months. The crisis is characterized not only by mass dismissals, but also the reduction of the salaries of teachers who remain in institutions, the overcrowding of some classrooms and the greater adherence to distance education by students who cannot afford more expensive classroom-based courses (Basilio, 2017).

For many experts, the scenario of mass dismissal was strengthened by Brazilian Labor Reform, in force since November 2017. In the state of Rio de Janeiro, the private university Estácio de Sá – which also operates in other parts of Brazilian territory – announced the dismissal of 1,200 teachers. The reorganization of the teachers’ team led to the dismissal of more than a thousand professionals and the announcement of a “reserve team”, which would be classified as intermittent work, also based in the new labor legislation. The decision led to a reaction from the Labor Court of Rio de Janeiro, which initially suspended 400 dismissals in the state. Later, the Public Prosecutor’s Office in Rio de Janeiro, via an injunction, was able to suspend the dismissal of teachers in Estácio de Sá’s units throughout the country.

However, the injunction was suspended in December 2017. In the light of the Labor Reform, the individual and collective dismissals no longer need prior authorization from the union entities or the conclusion of collective agreements for their validation (Basilio, 2017; Instituto Millenium, 2017). Because of the Labor Reform, Brazil lost 12,292 formal jobs in November 2017, when the effects of the reform were already in force. This frustrated the expectation of the creation of 22,000 jobs. At the same time, 3,120 intermittent jobs were created. When Brazilian President Michel Temer proposed the Labor Reform, he defended that the legislative easing would help the creation of new jobs (Ayres, 2017).

4.2. South

The impact of the crisis of the private higher education system in the state of Rio Grande do Sul led to a 35% increase in the dismissal of professors at private universities between 2014 and 2016. In 2015 and 2016, the accumulated drop in enrollment of students reached 20%. This number reflects the unemployment of 13.5 million people and the fall of 3.6% in the GDP in 2016, according to IBGE. The situation led not only to a decrease in the number of entrants, but also to a sharp evasion of students. For every 100 students who entered an educational establishment, only 42 still remain in the university in Rio Grande do Sul. The number may even be lower in the light of the difficulties faced by government programs, such as FIES. The Pontifical Catholic University of Rio Grande do Sul's dean, Evilázio Teixeira, said that, while the number of private universities and colleges has increased significantly in recent years, the purchasing power of the population has declined (Hickmann, 2017).

One of the first measures of budgetary adjustment that private higher education institutions took in the states of Rio Grande do Sul, Santa Catarina and Paraná was the dismissal of part of the team of professors, generally the most qualified ones who earn more. However, the strategy brings the possibility of lowering the levels of the academic production of the institutions, evaluated by MEC. Even so, the number of dismissals remain high. As of April 2017, 486 professionals have been dismissed from colleges and universities in Rio Grande do Sul. In December 2017, Uniritter dismissed 100 teachers, claiming that it was going through a time of restructuring its courses and reducing workloads (Basilio, 2017).

It is unanimous among managers of private universities in Southern Brazil that the reduction of the FIES disrupted the cash flow of these institutions. FIES underwent a restructuring in 2010 and started to operate with an annual interest of 3.4%. After 2015, the rate increased to 6.5%. In addition, there was a change in the offer. By 2014, there was no limit for demand at the program. From 2015 on, MEC determined this limit. The director of Institutional Development at Feevale University, Alexandre Zeni, believes that FIES has no way of sustaining itself financially, referring to the university's default rate of almost 50% in 2016. At Unisinos, a university with a pole in the Sinos River Valley region and a branch in the city of Porto Alegre, there was a 27% fall in the number of enrolments via FIES from 2015 to 2017. In 2015, approximately 13% of the students had FIES contracts. In 2017, the percentage was 9.5%. Unisinos dean, Marcelo de Aquino, said the university had a period of strong expansion, largely stimulated by government incentives. However, the new rules of the program, associated with unemployment, have determined the end of the cycle (Hickmann, 2017).

4.3. Midwest

The entry and the permanence of students in private higher education institutions in the Federal District, in Midwestern Brazil, have been threatened by the economic crisis, unemployment and readjustment in tuition fees. MEC indicates that 186,175 inhabitants of Brasília – the country's capital – are attending higher education institutions – 80.5% in private educational institutions. However, maintaining that number has been an arduous task for the institutions' managers. The scenario of economic instability has been reflected in undergraduate courses. The number of contracts of FIES – one of the main factors responsible for the increase in recent years of the total number of students in private higher education in the states of Goiás, Mato Grosso and Mato Grosso do Sul – has been reduced. Between 2014 and 2016, the number of beneficiaries have been reduced from 730,000 to 200,000 in the Federal District (Amador, 2017).

Simultaneously with the fall of the federal government's investments in FIES, the private higher education sector's defaults grew, and the value of the monthly payments continued to increase. Some courses, such as medical science, cost up to 6,000 reais (almost 1,800 dollars) in Brasília. The adjustments in tuitions, in turn, are above inflation. There are cases of increases of more than 15% in 2016, but national inflation was 6.29% in the same year. Students contest these adjustments and ask for the expansion of student scholarship programs. UniCeub's students did that. Institutions such as the Catholic University of Brasília argue that monthly tuition fees increases are due to high investment costs and the growth of defaults in recent years. Managers of some universities such as UniCeub have said they planned specific actions for accepting payments by check and credit card as well as parcelling the tuition fees. In the Federal District, there are about 336,000 unemployed people in 2017. They represent 20.5% of the universe of 1.3 million professionals, according to INEP. This represents a smaller number of adults able to finance the studies at a private university (Amador, 2017; Instituto Millenium, 2017).

4.4. North / Northeast

In Northern and Northeastern Brazil, the presence of two large private educational groups – Devry and Ser Educacional – brought to these two regions – which had fewer private higher education institutions compared to the rest of the country – an increase in the number of students to 15,000 by the end of 2015. With the action of these groups, many students saw the possibility of entering a more restricted labor market in these regions, but, with the FIES cuts, most of them left the university or abandoned the idea of entering an institution of private higher education. In addition to the reduction of financing, the government has established new rules for granting FIES, which were considered very stringent by many students in the North and in the Northeast, especially in the poorest areas. The fulfilment of PNE goals is compromised by that. One of the PNE's objectives, of which federal funding is an important lever, is to raise the gross enrolment rate in higher education by 2024 to 50% of the population aged 18-24 (Evans, 2016; Schincariol, 2016).

When students receive negative responses regarding the possibility of funding, many end up leaving private institutions of higher education in Northern and Northeastern states, such as the Mauricio de Nassau Faculty, which has branches in many states of these two regions. Despite the problems, the North and

Northeast are seen as strategic areas by many companies in the higher education sector, which still maintain expansion plans for such areas, despite the cut in public funding. Some groups even plan to grow outside the state capitals, but the economic context does not favor such expansion. Private education institutions of a smaller size are the most affected, having suffered a 30% decline in the number of new students in 2016, while the national drop was 20-25% (Schincariol, 2016).

5. Analysis and Discussion

The 2016 Higher Education Census shows how the economic crisis affected the students of private institutions of higher education. The number of students enrolled was virtually the same as in 2015, and the number of new students enrolled in classroom-based courses declined. The fall in the number of private network registrations in 2016 may be partly explained by the economic crisis that has hit the country. In Southeastern and Southern Brazil, regions which have the largest number of private higher education institutions, the effects were more visible, particularly in 2017. The provision of credit through FIES guaranteed funding for 45% of students in private higher education institutions in the country, but, with the cuts and changes in the rules of the program, the number of students who can enrol in a private higher education institution has fallen dramatically (Peduzzi, 2017).

The rate of defaults in private higher education reached 8.8% of enrolments in 2016, the worst rate since 2010. This happened because many students entered private institutions expecting to receive the FIES financing, but, with the restriction of the program, they were unable to pay the monthly fees, which increased the default. Defaults are even greater in small institutions, as observed mainly in the North and Northeast. A higher level of defaults led to an increase in tuition fees, as observed in the Midwest, in order to minimize the burden of non-payment, and the overcrowding of classrooms to lower staff costs, which could lead to the loss of quality of teaching and the dismissal of teachers in private institutions in the country (Folha de S. Paulo, 2016).

The crisis affected not only the government budget, but also the level of employment in the society. With a higher number of unemployed people and lower salaries, students are less able to afford the tuition fees of a higher education course at a private institution. Such students have a hierarchy of priorities in their expenses. Some basic ones such as rent and food are in a higher position than education. In this sense, to cut costs, students end up not entering universities or choose to abandon them in the light of their reduced income (Jornal do Comércio, 2017). With the reduction of student funding – which guaranteed the access of the poorest families to higher education –, the people who wish to study and do not have resources look for alternative ways, such as distance learning. In the light of the deepening of the crisis in 2017, it is possible that a future Census shows an even more negative scenario (Alves Filho, 2017).

To overcome difficulties and attract new students, private higher education institutions can rely on multiple strategies, such as scholarships, alternative financing and even discounts for those who pay the current monthly fees. Many institutions can offer scholarships, including full ones. One of the most commonly used criteria to offer scholarships is the ENEM score. In addition to FIES, ProUni continues to offer full scholarships or 50% of the monthly fees. In order to register at this program, the student must finish high school at a public institution and reach 450 points in the ENEM exam. Due to the delay in the

FIES transfers to private higher education institutions in 2016, some of them have offered private financing in partnership with banks. To ensure student loyalty, many institutions may offer discounts to those who pay their tuition monthly. It can generate considerable savings for students on more expensive courses (Amador, 2017).

Another alternative to face the crisis may be the creation of academic endowments to finance the activities of higher education institutions, which could strengthen teaching and develop excellence research. This practice is in line with international best practices, which encourage donations to educational institutions, through income tax deductions, for alumni and partner companies. Such endowments could be an alternative for attracting additional resources in a sustainable and long-term way. In the United States, where the practice of philanthropy and donation to nongovernmental organizations is consolidated, its most important universities have billionaire endowments. The Harvard University endowment has funds under management of about \$ 37 billion. Others, such as Stanford, Princeton and Yale Universities, have endowments with estimated funds between \$ 20 and \$ 25 billion. These universities are routinely ranked among the best in the world, because there are resources for investments thanks to the large donations or the financial return of the applications, provided by independent administrations (Senado Notícias, 2017).

6. Conclusion

The crisis in private higher education since 2016 is very intense in all regions of Brazilian territory, particularly when the reality of mass dismissals of teachers, reduction of salaries of those who remain in the institutions, overcrowding of classrooms and greater adhesion of students to distance education consolidates in the country. This crisis is related to the financial crisis, whose origins can be found in the adverse international economic situation for Brazil and also the political chaos caused by corruption and misappropriation of funds by politicians and businessmen. Brazilian government reduced FIES contracts and redefined the rules for these contracts drastically, and the students from the poorest classes could not enter higher education nor keep studying at a private university. With the high rate of unemployment in the country and the lowering of salaries in multiple sectors of Brazilian economy, students cannot afford higher education courses at private institutions.

Higher education was seen by a great part of Brazilian population – especially the lower-income classes – as a way of expanding the prospects for personal and social development. However, the crisis in private higher education has stimulated the disbelief on the transformative role of education, which has become secondary in the hierarchy of priorities for many young people. To face the problems brought by the crisis, private higher education institutions can develop strategies such as scholarships, alternative financing from private banks, discounts for those who pay the current monthly fees and the creation of educational endowments.

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