

## Public Funding and the Beginning of a New Era in Higher Education in Brazil

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In Brazil, higher education is perceived as the means for social mobility (Romanelli 1991; Canuto 1987). However, most Brazilian families cannot afford to send their children to private institutions, which have more enrollment capacity than their public counterparts. As a response, people demand the government to develop mechanisms to increase access to public higher education institutions (HEIs) and/or create scholarships for private HEIs. Consequently, the Brazilian federal government has implemented a series of policies to quantitatively and qualitatively address the demands for more higher education. Such initiatives constitute a new era in this sector, which is no longer being expanded only through private financing and is making possible to provide more public financing.

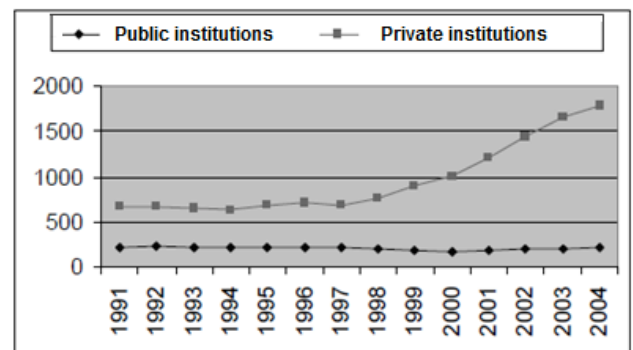
### Expansion of Private Higher Education by 2004

Private higher institutions made an important contribution to the expansion of higher education in Brazil. The first major structural change occurred in 1968 when through Law 5540 law the higher education system was reformed. Between 1968 and 1970, number of HEIs doubled. However, the reform opened the door for more participation of private HEIs that grew without major regulation, as shown in Table 1. At the end of the 1970s, the Brazilian government stopped authorizing the creation of new private institutions until the promulgation of the Law of Guidelines and Bases of Education (LDB, or “Lei de Diretrizes e Bases da Educação”) in 1996. The LDB provided the environment for another expansion of private higher education, resulting in a new accelerated growth. According to Valdemar Sguisardi (2000) and Nelson C. Amaral (2003), in a short period of time, private institutions were able to offer over two thirds of available seats.

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The analysis of all the indicators provided by the National Institute of Educational Studies Anísio Teixeira (INEP) shows that the private sector grew 151.6 percent between 1996 and 2004 in Brazil (Figure 1).

FIGURE 1  
GROWTH OF HIGHER EDUCATION INSTITUTIONS,  
1991-2004



Source: Adapted from Michelotto, Coelho, and Zainko (2005, p. 192).

The unexpected increase of institutions and number of seats generated high competition for students and several challenges within the sector, such as high dropout rates and unfilled seats (Meyer Junior 2004). At this point, the Brazilian government intervened by increasing public funding, which was distributed in several public policies, as it is discussed in the next section.

### Public Programs and the Expansion of Public Seats

It became necessary to reconfigure the higher education system in Brazil. The reform was delineated in a document titled Education Development Plan (PDE, or “Plano de Desenvolvimento da Educação”) that was released in 2007. Since then, several structural change have been carried out in order to provide funding for

TABLE 1  
NUMBER OF ENROLLMENTS IN HIGHER EDUCATION, 1960-1980

Year	Public Financing		Private Financing		Total Enrollment
	Enrollment	Participation	Enrollment	Participation	
1960	132.25	58.5%	93.968	41.5%	226,218
1970	210.61	49.5%	214.865	50.5%	425,475
1980	492.232	35.7%	885.054	64.3%	1,377,286

Source: Adapted from Terribili Filho and Machado (2006, p.10).

seats in private institutions and more seats public universities. The actions to expand access to public seats were performed under three fundamental modalities:

1. federal higher education,
2. distance higher education, and
3. vocational higher education.

The federal higher education initiatives were described in the Plan of Reorganization and Expansion of Federal Universities (REUNI, or “Programa de Apoio a Planos de Reestruturação e Expansão das Universidades Federais”).<sup>1</sup> With this program, in return with the large investment (about US\$900 million), the federal government aimed to increase the number of undergraduate courses in public universities to 3,601 and the number of seats to 227,260 in 2012. The program also intended to increase evening courses to 1,299 and the number of seats to 79,215. In addition, there was a great concern regarding the training of teachers in basic education; therefore, the government increase teaching certification courses (those that prepare teachers for basic education) to 1,198 and the number of seats to 79,191 (Ministry of Education of Brazil—MEC 2013a).

The initiatives to expand distance higher education were executed through the Open University of Brazil (UAB, or “Universidade Aberta do Brasil”).<sup>2</sup> The latest data released by the Coordination of Improvement of Higher Education Personnel (CAPES) shows that between 2007 and July 2009, 557 face-to-face support centers were approved and implemented, resulting in the creation of 187,154 seats. In August 2009, over 163

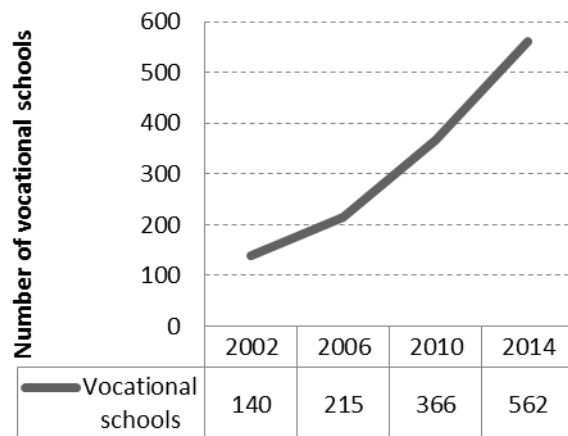
new centers were selected to address the needs of the population, increasing to 720 centers. By the end of 2013, the system would expand its cooperation network to achieve all public HEIs in Brazil and accept 800,000 students a year. Since it was established, the UAB received public funding of over USD\$300 million (Capes 2013).

Regarding vocational higher education, Federal Technical Schools were upgraded to Federal Institutes of Education, Science, and Technology (IFETs, or “Institutos Federais de Educação, Ciência e Tecnologia”).<sup>3</sup> This reorganization led to the greatest expansion in the history of Brazilian vocational higher education. From the emergence of the first schools in 1909 to 2002, 140 vocational schools were created in the country. In accordance with the goal of expanding the vocational higher education, the government expected to create 214 more schools, reaching a total of 354 schools by the end of 2010. However, with the public funding of over USD\$500 million for the expansion of vocational education and the goal of creating 500.000 seats country-wide, the Ministry of Education intends to exceed this goal, as shown in Figure 2.

All these initiatives contributed greatly to the growth of public higher education; however, as it was previously argued, the largest number of seats is concentrated in the private sector. For this reason, there was a great effort to develop public policies to increase the number of private seats, which is described in the next session.

FIGURE 2

SCENARIO OF VOCATIONAL HIGHER EDUCATION BY 2014



Source: Adapted by the author with data from MEC (2013b; 2013c).

FIGURE 3

EVOLUTION IN THE NUMBER OF ACTIVE CONTRACTS OF FIES IN 1999-2007 AND PROJECTION FOR THE 2008-2011 PERIOD



Source: Brasil (2009, p.35), translated by the author.

Note: In the following years there was no update of these data by the Federal Government to prove the realization of projections.

### Public Financing for Private Seats

To support the expansion and democratization of higher education, the federal government has invested public funds in two programs to increase public and private seats:

Financing of Higher Education Student (FIES, or “Fundo de Financiamento ao Estudante do Ensino Superior”).<sup>4</sup> Students study with funding from the government until completion and have a grace period for repayment of the amount borrowed of 18 months at a rate of 3.4 percent per year after graduation.

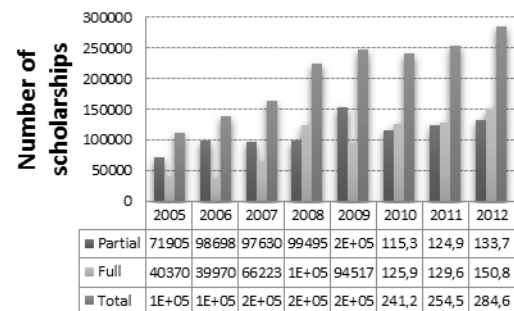
University for All Program (PROUNI, or “Programa Universidade para Todos”).<sup>5</sup> Economically disadvantaged students receive scholarships of 25 percent, 50 percent, and 100 percent in private higher institutions (no need to pay the government after completion).

With respect to the FIES, data from the latest report released by the Brazilian Court of Auditors (TCU, or “Tribunal de Contas da União”) show that 1,459 institutions were part of the program in 2007. With public funding of over USD\$500 dollars, at the end of that year, the FIES had 467,600 active financing contracts and aimed at reaching about 700 thousand contracts at the end of 2011, as shown in Figure 3 (Brazil 2009).

Between its creation and 2012 (latest available data by MEC), PROUNI offered more than 1.7 million scholarships as illustrated in Figure 4.

FIGURE 4

PROUNI – NUMBER OF SCHOLARSHIPS OFFERED EACH YEAR



Source: MEC (2013d), translated by the author.

With the creation of the PDE in 2007, FIES started to work together with PROUNI. Students who have a PROUNI partial scholarship (50 percent or 25 percent) may request FIES to finance the rest of the monthly fees, ensuring their permanence in private HEIs (Brasil 2007).

All these public investments and programs represent a new moment in Brazilian higher education, which is shown in the Census of Higher Education. It is presented in the next section.

## Census of Higher Education and the New Era of Brazilian Higher Education

Data from the last Census of Brazilian Higher Education (2011) show changes in enrollment, divided in

two administrative categories, public and private, and in the following modalities: face-to-face and distance education (see Table 2). Table 2 shows an increase in the number of seats in public and private education (including the face-to-face and distance education).

TABLE 2  
EVOLUTION OF THE NUMBER OF GRADUATE ENROLLMENT, BY TYPE OF EDUCATION AND ADMINISTRATIVE CATEGORY  
ACCORDING TO ACADEMIC DEGREE, BRAZIL, 2002-2011

Year	Public		Private		Total
	Face-to-Face	Distance	Face-to-Face	Distance	
2002	1,051,655	34,322	2,428,258	6,392	3,520,627
2003	1,136,370	39,804	2,750,652	10,107	3,936,933
2004	1,178,328	35,989	2,985,405	23,622	4,223,344
2005	1,192,189	54,515	3,260,967	60,127	4,567,798
2006	1,209,304	42,061	3,467,342	165,145	4,883,852
2007	1,240,968	94,209	3,639,413	275,557	5,250,147
2008	1,273,965	278,988	3,806,091	448,973	5,808,017
2009	1,351,168	172,696	3,764,728	665,429	5,954,021
2010	1,461,696	181,602	3,987,424	748,577	6,379,299
2011	1,595,391	177,924	4,151,371	815,003	6,739,689

Source: Adapted by the author with data from Census of Higher Education 2011 (INEP 2012, p. 94).

These data indicate that public funding and policies regulated by the government have contributed significantly to the expansion of higher education in Brazil. This expansion can be seen in the following categories:

- Face-to-face public education, REUNI and IFETs: 33 percent growth between 2007 (creation of the programs) and 2011
- Distance public education, UAB: 77 percent growth between 2006 (creation of the program) and 2011
- Face-to-face private education, FIES and PROUNI: 41 percent growth between 2002 and 2011.

Indicators show that the public funding, along with several public policies, increase the number of seats (and therefore enrollment) in public and private institutions in a unique manner and constitute a new era of higher education in Brazil.

### Final Thoughts

As the society began to perceive higher education as the primary way to improve social status, the access to higher education has been discussed at several levels and social spheres. Since then, a number of initiatives, especially the PDE, were created and programs like REUNI and PROUNI, articulated together with the FIES, UAB, and IFETs, are the main pillars for the reformulation of Brazilian higher education. Through

these programs, public funding has been allocated for the Brazilian higher education.

Brazil seeks to become the fifth world power during this decade, by increasing its Gross Domestic Product and Human Development Index, while decreasing unemployment rates. To achieve these goals, the country must democratize the access to higher education because education is considered the driving force for development.

The scenario presented in this article shows a new era in Brazilian higher education, which starts from the reversal of financing agents to expand access to higher education (private to public). However, there still are some that can be improved:

- The program REUNI, which was scheduled to end at the end of 2012, should continue. Some researchers suggest the creation of REUNI 2 because there is still room for progress in federal higher education (Costa, Costa e Barbosa 2013)
- The IFETS and UAB should not promote only quantitative expansion. It is necessary to allocate public funding to increase the quality of education through these programs, thus improving the quality of human resources educated in the nation
- The FIES and PROUNI should be united in a single process. A student who is eligible to receive the PROUNI should be automatically eligible to get the FIES. This would facilitate the financing of remaining monthly fees to students who receive partial PROUNI scholarships. Programs that have similar objectives should be managed by the same board, something that does not happen currently (Brasil 2009).

Finally, the Federal Government should proceed with the creation and advancement of effective public programs. It is necessary to highlight our higher education. We should consider it an important pillar of the desired development and therefore transform the country by education.

## Notes

1. REUNI was released on 24 April 2007. It aims to demonstrate the strategic role of federal universities for economic and social development of the country. REUNI's main objectives were to increase the number of seats and the reduction of dropout rates, with a focus on undergraduate courses (MEC 2013a).
2. UAB was established in 8 June 2006 with the purpose of developing distance higher education and the mission to offer courses and programs to places that lacked tertiary education in Brazil, such as rural areas (Capes 2013).
3. IFET were established in 24 April 2007 with the purpose of integrating all Federal Technical Schools that already exist in IFETs as part of the Federal Network of Technological Education that manages all the processes.
4. FIES was created in 27 May 1999 with the purpose of financing undergraduate education of economically disadvantaged students in private Institutions.
5. PROUNI was created in 13 January 2005 with the purpose of providing scholarships to cover 100, 50, and 25 percent of expenses for undergraduate students in private higher education institutions.

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