

## **The Impact of COVID-19 on Private Higher Education in Argentina from a Latin American Perspective**

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### **Abstract**

The COVID-19 pandemic and national government's consequent lockdown of all non-essential activities in March 2020 hit an Argentina already on the brink of economic crisis. All universities but one switched their course offerings for the new semester online. This presentation addresses the impact of COVID-19 on private higher education in Argentina as an example of a country where government provides little to no support to the private sector in higher education and the public support is fully funded by the government (tuition free). Although the private sector has been hit hard by the crisis, the impact will certainly be different depending on type of institution. Especially notable is how non-elite subsector universities have developed capacity to offer online education in the past fifteen years, creating a sizeable niche that neither private elite nor public universities had exploited. Whereas online offerings mark PHE's most striking intersectoral advantage, the quite decisive distinction in funding sources marks its most striking disadvantage. The only public funding to PHE is for research and only a few private elite and religious institutions do research. While private elite institutions will likely survive the impact of the pandemic, non-elites, specifically those that have not adapted to online education, may lose some of their students to other private institutions. Also, due to the economic crisis and the loss of family income, students may switch to public tuition-free universities.

**Keywords:** private higher education, COVID-19, Argentina

### **Introduction**

The global COVID-19 pandemic has reshuffled many institutions, including higher education worldwide. In Latin America, half of the students in higher education attend some type of private institution (Levy, 2018). So, any question regarding policies addressing the pandemic and impact of COVID-19 on higher education needs to account for this sizeable sector in the region. This paper centers on the case of universities in Argentina, public policies toward PHE in the pandemic context, and the organizational responses (e.g., institutional policies) to COVID-19 in a Latin American context.

The presence of private higher education in the region varies drastically by country. Some countries enroll a large majority of their students in the private sector (e.g., Chile and Brazil), while others have essentially expanded their systems through public institutions (e.g., Argentina and Mexico). In some countries, public higher education is tuition-free (e.g., Argentina and Brazil) and in others public institutions also charge tuition (e.g, Chile and Colombia). These differences in their enrollment trends and the countries' approach to funding higher education make it necessary to contextualize the Argentine case and how it could explain what may happen in other countries. A common feature in all countries,

although to some less extent lately in Chile<sup>1</sup>, private institutions heavily rely on tuition fees to remain in business. So, to a large extent, all those private institutions are facing challenges due to the economic impact of COVID-19 on jobs and employment.

The Argentine case shows how a tuition dependent private higher education sector has been facing challenges in the midst of a pandemic, to compete with a tuition-free and fully subsidized public sector. In March 2020, the national government imposed a lockdown of all non-essential activities, in an Argentina already on the brink of economic crisis. This paper aims at analyzing the role of public policy toward PHE in this context and the organizational responses of higher education institutions to the pandemic.

The paper is divided into three sections. The first section briefly describes private higher education in Argentina. The second centers on key comparisons between the private and public sectors and within the private sector. The comparisons highlight key public policy toward PHE and the differentials responses to the pandemic. The last section presents some conclusions.

### **The Role of Private Higher Education in Argentina**

Higher education in Argentina is binary and includes university and non-university institutions. The focus of this paper is on the university level comprised of universities and university institutes. The private university sector in Argentina enrolls one of five students. Many factors explain its relatively small size compared to its public peer. First, the creation of private universities after the independence (1816) was banned until 1958. Public universities had been present for a long time. Second, by the time the national government allowed the establishment of private universities, most of the demand for university-level education had already been absorbed by the public sector. Third, private universities do not receive governmental funding except to conduct research and have to compete with tuition free, fully subsidized public universities. Fourth, the enactment of the Higher Education Act of 1995 put in place stricter regulations to establish private universities than public ones (Rabossi, 2011). This regulatory approach has meant a “quality” check, leading to few private non-elite demand-absorber universities in Argentina.

Public universities in Argentina and most of Latin America tend to be at the top of the academic prestige. Even though some private universities in each country may have gained prestige over time, and in some cases are comparable to their top public counterparts, they remain a small number (García de Fanelli, 2007; Rabossi & Salto, 2018). In the Argentine case, two aspects of the universities and the public policies are key to understand their responses to the pandemic. One relates to the private sector reliance on tuition to survive and the other is linked to public’s sector reliance on governmental funding.

### **Public Policy and Organizational Responses (to public policy and to the pandemic)**

The COVID-19 pandemic and national government’s consequent lockdown of all non-essential activities in March 2020 hit an Argentina already on the brink of economic crisis.

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<sup>1</sup> Due to the recent enactment of legislation private and public institutions in Chile are tuition-free except for those students and families at the top 30% (Bernasconi, 2019).

All universities but one switched right away their course offerings for the new semester online. The leading (and only) resister, the University of Buenos Aires, a public university is also by far the largest higher education institution in Argentina. Initially, back in March, the university postponed classes until June instead of the regular March start alleging that moving instruction online would significantly affect quality. However, due to the extension of the lockdown, the university announced that most academic units have transitioned to teaching online based on the original academic calendar (Fanelli et al., 2020).

Although only one public university reacted against moving its operations online, also known as emergency remote education, public universities have been less keen to offer online courses than their private counterparts. While public universities enroll four of five students, they serve only a small fraction online (3% of their students). In contrast, some institutions in the private sector have been increasing their online education programs and this sector overall enrolls an astonishing 21% of its students in online programs<sup>2</sup>. The situation was much different just compared to five years prior to 2015. The trend over time shows a substantial enrollment increase in online program in the private sector from 31,000 to 86,000, in 2010 and 2015, respectively. Face-to-face enrollment of private sector during the same period has remained stagnant, only increasing from 321,000 to 325,000. Especially notable is how much this capacity building was done by the non-elite subsector, creating a sizeable niche that neither private elite nor public universities had exploited.

However, much to attribute the private-public online differential capacity to innovation versus resistance to change, program offerings undeniably facilitate PHE online capacity. Except for some health sciences programs offered in its semi-elite institutions, the private sector enrolls the vast majority of its students in social and commercial fields. These programs do not require practical training such as medical residencies or scientific lab work, making the transition to online instruction not as burdensome.

Whereas online offerings mark PHE's most striking intersectoral advantage, the quite decisive distinction in funding sources marks its most striking disadvantage. The only public funding to PHE is for research and only a few private elite and religious institutions do research (García de Fanelli, 2016). Some also fundraise but they are not allowed to set up endowments and thus donations are mostly limited to one-time capital projects. Thus, private universities are hugely tuition dependent.

Moreover, students and their families must cover the full price of tuition and fees. The government does not provide any type of financial aid (loans or scholarships) to university students. It follows that likely non-elite private universities will face the greatest financial challenges, and possible enrollment decline, due to the students' reliance on middle class family income. Where private universities may have some financial adaptability that the public sector lacks is that most of its academic positions are temporary and part-time. This is particularly true of nonelite universities. On the other hand, full-timers may not be so financial burdensome for leading private universities since many of them are funded by the national government's National Scientific and Technical Research Council (CONICET).

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<sup>2</sup> Unless otherwise noted, the data refers to 2015 information as it is the last official published data available.

Although the national government in Argentina does not fund private universities, 11 out of 64 private universities requested temporary financial relief to the national government through an emergency program targeting businesses in different areas. Remarkably, private universities are non-profit institutions, so applying for this financial relief program has probably been the result of financial hardship. The program offers governmental loans to pay staffs' salaries due to documented financial hardship (loss in revenue compared to the previous year) and the government reduces the social security contributions that the beneficiaries have to pay.

### **Concluding remarks**

The Argentine case exemplifies core similarities and differences in public policy and university responses to COVID-19 in higher education. Many of the findings apply to other Latin American countries as well. It is clear that the tuition-dependent private sector may suffer more consequences than the public sector. Specifically, the non-elite private institutions could be worst hit since they rely on tuition fees paid by middle class students. However, as analyzed in this paper, some of the non-elite institutions have been instrumental in offering online programs ahead of the pandemic, building capacity and accumulating experience not available in elite private institutions or public institutions altogether. Some private non elite universities have even requested financial relief plans targeted to businesses, a move that will likely have lasting consequences.

Although the public sector does not rely on tuition fees, enrollments may be impacted. Due to its open access and tuition free features, public universities enroll more needy students than their private counterparts. These students may already have problems accessing online classes due to technology limitations (e.g., lack of equipment and lack of internet access). Public universities have little room to make investments in technologies or scholarships for their students, as the large majority of the funding they receive from the national government goes to pay salaries. The national government is limited as well, as the fate of the government budget lies amid a dual health and economic crisis.

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