The Corporization of a Public University with Free Undergraduate Education: Endangering Autonomy at the University of Buenos Aires

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1. Introduction

The University of Buenos Aires (UBA) is the biggest university in Argentina, both in terms of students (262,932 undergraduate and 14,441 postgraduate students, according to the UBA’s 2011 Students’ Census, latest available)\(^1\) and faculty (28,232, according to the UBA’s 2011 Faculty’s Census, latest available). Considering national research indicators and the UBA’s tradition, it has been placed as Argentina’s flagship university (García de Fanelli, 2007). Four out of the five Nobel prizes won by Argentina corresponded to UBA’s professors. Moreover, in 2014 it ranked second among Latin American institutions in the Shanghai World Universities Ranking, and first according to the 2015 QS World Universities Ranking.

In this article we will argue that, despite offering free undergraduate education, the UBA has become a market university. As all the other public universities in Argentina, the UBA offers free undergraduate education in all its faculties. Maybe this is why this university has not called the attention of the economic literature when analysing the development of what has been called the academic enterprise (Larsen, 2011), the academic capitalism (Slaughter and Leslie, 1997), the market-university (Berman, 2011) or the entrepreneurial university (Etzkowitz, 2008; Etzkowitz et al., 1998). This transformation not only affected its autonomy, orienting teaching and research, but it has also reduced the UBA’s researchers time to perform new or creative research encouraging faculty to sell technical assistances and other routine activities.

In order to analyse the UBA’s transformation into a market university, the article will be organized as follows. Section 2 will briefly present our theoretical framework. Section 3 will deal with the UBA’s budget constraints between 1998 and 2012 and with the general

\(^1\) Argentinean Universities’ Statistical Yearbooks show higher figures because of methodological differences when defining a student. As enrollment for an undergraduate degree in a National University is open to every person with a high school degree, enrollment figures tend to overestimate the real quantity of students attending to classes. Hence, the UBA’s census are more accurate for undergraduate figures.
argument that this has been the decisive reason why the UBA accepted to get its own resources from market exchanges. Section 4 will explain the UBA’s main market sales: internships, postgraduate education and technical assistances. Finally, we will discuss how the UBA’s transformation into a market university affected teaching and research autonomy in Section 5.

2. The rise of higher education and research commodification

There are different but complementary approaches for critically analysing neoliberal transformations over higher education and academic research. They all share the idea that by adopting commercial or corporate characteristics, the university is endangering its main teaching and research functions.

Among these scholars, Slaughter and Leslie (1997) called this process the generation of an Academic Capitalism, which resulted from the confluence of big corporations’ needs and universities’ budgetary needs. Under Academic Capitalism, researchers from public universities act as if they were capitalists; like entrepreneurs with a public subsidy. They also argue that these academics’ job is resembling more and more to researchers’ job in private enterprises.

This process has been also called the commodification of higher education and research, or the creation of a market university (Berman, 2011; Castro-Martinez and Sutz, 2011; Harari-Kermadec, 2013; Harvie, 2000; Mowery, 2005; Pestre, 2003; Sotiris, 2012). A clear sign of the ongoing transformations in higher education has been tuition and fees increases in different countries. Considering the research dimension, a main concern is the abandonment of public or open science production, privatizing research results (Pestre, 2003). According to Vallas and Kleinman (2008) many universities have transformed the production of knowledge into a business, copying behaviours that were originally associated to private enterprises.

Other critical authors concentrated on the consequences of intellectual property rights (Coriat, 2012; Coriat and Weinstein, 2011; Orsi, 2002; Orsi and Moatti, 2001). Florida and Cohen (1999) coined the term “secrecy problem” to define the tension between strong intellectual property legislations (and other mechanisms that delay disclosure), and public access to scientific results.

In this scenario, Larsen (2011), who has called this emerging university the academic enterprise, referred to how universities’ agenda is being reoriented towards commercial activities. This risk was initially summarized as the dilemma between devoting to basic science or to more applied investigations (Florida and Cohen, 1999). Larsen (2011)
reformulates it as the dilemma between academic and commercially oriented research, regardless of its basic or applied degree. Different academics add that the university’s autonomy to orient its research may be eroded when actors from outside influence its agenda. Private companies provide resources for research of their interest and the State decides its support according to its own priorities (Castro-Martínez and Sutz, 2011; Furstenbach, 1993; Kleinman and Vallas, 2001; Pavlidis, 2012; Slaughter and Leslie, 1997).

Summing up, university’s commodification is a threat for its autonomy, in particular for its freedom to teach and do research as well as for its students to choose and play an active role in their education, instead of being customers using an already packed economic good (Rikap, 2016, chap. 10). Hence, studying this process is central both for its academic and political implications. Nevertheless, in countries like Argentina, where undergraduate higher education is free and research is not the universities’ main activity (only 33% of total faculty in National Universities² have a part-time or full-time research contract with their corresponding university), the commodification process has been overlocked, remaining a blind spot of the literature. In this article we propose to deepen into the UBA’s transformations towards a corporation³ contributing to fill that blind spot.

3. From Budget Constraints to the Corporization of the UBA

Until the end of the ‘80s the collaborations between National Universities, especially the UBA, and private enterprises were kept in secret and seriously condemned by public opinion, and specially by the academic community (Naidorf, 2006). Since then, legal transformations allowed and encouraged commodification. The 23,560 law limited free education to undergraduate degrees and authorized National Universities to find own resources⁴ through market exchanges. The UBA adopted those changes in 1987 by its 1655/87 Superior Council’s Resolution.

In 1992, the 23,877 law allowed full-time researchers from public institutions to earn extra when they collaborate with private enterprises. In the UBA, the 1025/64 resolution, which emphasized that external collaborations endangered its autonomy, was replaced by the 1195/87 resolution that encouraged private sponsorship of research.

² In Argentina, public universities can be national or provincial universities. National Universities receive national block grants while the provincial ones receive provincial block grants. Anyway, by 2012 there was only one provincial university.
³ The notion of corporization includes the vast variety of market exchanges and behavioural transformations in the UBA, which is why we prefer it over alternative concepts even though we use them whenever we find them enlightening.
⁴ The term “own resources” was coined to refer to the revenues gathered by a National University besides block or competitive public grants.
In this context, the literature agrees that a reduced public budget explain why National Universities collaborate with private enterprises (García de Fanelli, 1993; Llomovatte, 2006; Vega et al., 2011). However, by analysing the UBA’s block grants and own resources, we will show, in line with Slaughter and Leslie (1997), that even if insufficient public budget encouraged the acceptance of commodification, this process cannot be unilaterally explained by budgetary needs as it should also consider corporations’ needs.

Considering data availability, we studied the UBA’s public block grants and own resources series between 1998 and 2012, in current and in 1998 values bearing in mind the Argentinean inflationary process (Graphs 1 to 4). Some figures are missing due to the 2001 Argentinean crisis.

**Graph 1.** The UBA’s Public Block Grant (in Argentinean million pesos)

![Graph 1](source)

Source: compiled from Argentinean Universities’ Statistical Yearbooks

**Graph 2.** The UBA’s Public Block Grant Annual Growth (percentage)

![Graph 2](source)

Source: compiled from Argentinean Universities’ Statistical Yearbooks
Both series show an increase in real terms during the analysed period. Actually, between 1998 and 2012 the UBA’s block grants increased 143%, with only a 6% of students increased between 2000 and 2011 (Universidad de Buenos Aires, 2011a). Its own resources doubled in the same period. In 2012, the UBA’s own resources represented 28% of its block grant.

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5 Figures show a bump in enrollment during and after the 2001 Argentinean crisis leading to a 17% of increase in total students’ population between 2000 and 2004 (Universidad de Buenos Aires, 2011a), followed by a progressive decline since 2006.
If we disaggregate public block grants and own resources figures we may argue that both funding sources complement each other. Actually, public block grants for National Universities have already assigned functions. In the case of the UBA, more than 90% corresponds to the wages of faculty teaching in the undergraduate degree and administrative staff, and approximately 1% funds research.\(^6\)

Among the research funding, faculty’s full-time and part-time research positions could also be considered. Nevertheless, they only represent 16% of all faculty (Universidad de Buenos Aires, 2011b). In fact, Rikap (2015) showed a progressive split between teaching and research activity in the UBA explaining that a reduced group of faculty performs research, accepting the global “publish or perish” and “apply or die” criteria. Hence, even considering research positions, as research is still a small proportion of the UBA’s public block grant, we may anticipate constraints in its capacity to develop autonomous investigations.

Furthermore, if our proposed explanation of complementing budgets is accurate, the UBA’s own resources should be mostly funding research, graduate education, operating costs and infrastructure. At the same time, by studying the importance of different types of own resources we will evaluate their consequences for teaching and research.

4. What is the UBA Selling?

An original aspect of our investigation is that we disaggregated the UBA’s own resources. We compiled the only available detailed information through archival research of the UBA’s Superior Council public resolutions, available since 2009 with some gaps for certain academic units. We compared 2009 and 2012 figures because they present the most complete information.

Every academic unit is only mandated to present its own resources’ annual estimate, usually approved by the UBA’s Superior Council during the second half of the corresponding year. The estimates are based on historical information, inflationary adjustments, and the already gathered revenues of the current year by the time when they are made. Hence, we will not be looking at actual figures but to estimates that set a minimum floor that will anyway allow us to study the UBA’s most important sources of own revenues and their differences between academic units.

\(^6\) The remaining budget corresponds to the UBA’s hospitals.
Chart 1. The UBA’s Own Resources per Academic Unit

Only two academic units, the Faculty of Economic Sciences and the Faculty of Law, concentrate more than half of the UBA’s own resources (Chart 1). Doberti (2014) and Rikap (2016), based on interviews and participant observations, explained that the UBA’s professional and research faculties develop different mechanisms to fund their activities. Research faculties predominantly apply for public competitive grants, while professional faculties charge tuition and fees for graduate and continuing education. They added that some faculties have strong links with enterprises for consultancies, technical assistances and internship programs. Our in-depth analysis complements their conclusions by providing empirical evidences.

Source: compiled from Superior Council Resolutions.
*The information from the Engineering Faculty was not available between 2010 and 2014. Thus, we estimated the 2012 figure considering a constant annual growth between 2009 and 2015.

Refers to faculties that traditionally comprised liberal professions such as lawyer or accountant.
Considering main types of own resources (Graph 5) we split the UBA’s faculties in three groups:

- Professional, mainly dedicated to teaching, faculties: Economic Sciences, Law, Architecture, Odontology and Phycology.
- Research faculties: Exact and Natural Sciences, Social Sciences and Philosophy and Letters.
- Remaining faculties, significantly dedicated to teaching but with a relevant research activity in applied fields.

Among the professional faculties research links with private enterprises and other organizations are marginal, as well as the research activity as a whole. Moreover, training agreements are almost 95% of the Faculty of Economic Sciences’ own resources. Even if graduate education tuition and fees are not significant compared to training agreements, this faculty has the second highest tuition and fees earnings (more than USD 3 million in 2012). It is only preceded by the Faculty of Law where tuition and fees of graduate and continuing education are 97.6% of its own resources. The latter includes all sort of courses from languages to coaching technics and marketing. Moreover, 87.5% of the Faculty of Odontology’s own resources are, in fact, patient fees.

Resistance to the UBA’s commodification is mostly concentrated in the research faculties, whose own resources were just 3.9% of the UBA’s total in 2012. The Faculty of Exact and Natural Sciences took the leadership of the academic battle against cuts in the science and technology national budget since 2015 in Argentina. Its academic community also rejected the accreditation of its undergraduate degrees in the Argentinean Commission for University Evaluation and Accreditation, considering it an attempt to curtail academic freedom for teaching and research. Furthermore, they rejected the donation of funds from “Minera Alumbrera YMAD-UTE”, an open-cast-mining corporation. In the Faculty of Social Sciences own resources are marginal (0.6% of the UBA’s 2012 total) and come primarily from tuition and fees (87% in 2012).

In the remaining faculties own resources for research are particularly important, but primarily destined to perform routine activities such as technical assistances. Their more applied research probably contributed to further develop its commodification. In the Faculty of Agronomy collaborations with private enterprises were 93% of its total 2012’s own resources. Additionally, among not predominantly professional faculties, it leads the rank in quantity of agreements with other organizations. It also has the highest number of

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8 The Faculty of Economic Sciences has 3% of faculty with part-time or full-time research positions. Figures are even smaller in the Faculty of Law (Universidad de Buenos Aires, 2011b).
technology transfer agreements followed by the Faculty of Pharmacy and Biochemistry, also from this group. Nevertheless, 89% of the latter’s long term agreements corresponded to technical assistances or other routine activities between 1997 and 2011 (Rikap, 2016).

The previous analysis per academic unit can be complemented by observing the main types of own resources gathered by the UBA (Graph 5).

**Graph 5. Type of UBA’s Own Resources (2012)**

Source: compiled from Superior Council Resolutions year 2012.

*The Faculty of Exact and Natural Sciences does not differentiate among types of own resources. Hence, we could not include its tuition and fees. Anyway, as postgraduate education in this faculty is free for all UBA graduates, and considering that this faculty’s own resources represented 1.5% of the total UBA’s own resources in 2012, the amount not considered here is insignificant.

** Includes the three autonomous UBA hospitals (Clínicas, Lanari and Roffo) and the Odontology Hospital which is under the scope of the Faculty of Odontology.

*** Loan of facilities, the sale of goods (food and beverages, photocopies, car parking), donations and interests.

The Faculty of Economic Sciences’ training agreements stand out as the UBA’s most important source of private revenues. This faculty acts as a human resources agency that offers students from this and other faculties as interns to private enterprises, public bodies, etc. receiving in exchange the students’ stipends including a monthly fee (until 20% from private enterprise and not less than 5% from public organisms) that they charge for this service.

Tuition and fees are the second highest type of own resources. Even if undergraduate education is tuition-free, students are charged with small fees (for delivering certificates, for
dropping off or failing a course, etc.). Moreover, postgraduate education has tuitions. The exceptions are the research faculties that are tuition-free for graduates and faculty of their own faculty or the UBA, depending on the case.

Even though the UBA is mainly teaching to undergraduates (95% of total enrolment), it is also, by far, the biggest Argentinean university in terms of postgraduate education with 22% of total postgraduate students in national universities (Ministerio de Educación de la Nación, 2013). By 2016, it offered 227 specialization courses, 134 masters and 40 Ph.D. programmes. The UBA also offers payed language courses and continuing education which, as we have said, are particularly important in the Faculty of Law.

The third highest type of own resources are patient fees charged at the UBA’s Hospitals. Public Hospitals in Argentina are supposed to be free of charge for everybody. Nevertheless, this is not the case of the UBA’s Hospitals.

Finally, almost 10% of the UBA’s own resources corresponded to research agreements. Next, we will focus on the UBA’s long term agreements, including the research ones. Even though the available information does not allow us to identify the exact money coming from each type, the UBA’s Superior Council publishes the quantity of approved agreements (Graph 6).

**Graph 6.** Agreements approved by the UBA’s Superior Council (accumulated figures between 2000 and 2012).

![Graph 6: Agreements approved by the UBA’s Superior Council (accumulated figures between 2000 and 2012).](image)

Source: UBA’s Superior Council public data.
Internships are the main long term agreement, as we could expect from our previous analysis. The second highest type are the master agreements which are broad agreements between two organizations. When a specific activity is asked it can be framed under this general agreement or by signing a specific agreement (fourth in importance). This specific activity may be a consultancy, a technical assistance, a technology transfer, etc. The collaboration or cooperation agreements are non-market ones, typically signed with other higher education or research institution.

Technology transfer agreements are only 3.8% of total agreements; its disaggregation between academic units is shown in Graph 7. Anyway, as we said before, master and specific agreements may include technology transfers.

**Graph 7. Technology Transfer agreements per Academic Unit (accumulated figures between 2000 and 2012)**

![Graph showing Technology Transfer agreements per Academic Unit](source: UBA’s Superior Council public data.)

In line with our suggestion of three groups of faculties concerning commodification, the “remaining faculties” group concentrates the vast majority of the technology transfer agreements, driven by the Faculty of Agronomy as we have already mentioned. Of course the disciplines covered by each faculty contribute to explain these figures.

Finally, if we disaggregate the general agreements’ figures according to the UBA’s partners (Graph 8) we can see that the private sector was its counterpart in almost half of them, reinforcing the idea that the UBA’s commodification process is significantly developed. This figure is actually bigger considering that the “hospitals” partner include both public and private hospitals. We may consider as well that a proportion of the agreements with
foundations and NGOs took the form of commodity exchanges. Hence, the relevance of what we could call market-agreements is unquestionable. It would have been interesting to disaggregate Graph 8 according to the different agreement types, but this information is not available.

**Graph 8.** The UBA’s agreements approved by its Superior Council according to the partner organization (accumulated figures between 2000 and 2012)

![Graph 8](image)

Source: compiled from UBA’s Superior Council public data.

Summing up, we could observe that the UBA has devoted itself to obtain all sorts of market resources. In this scenario, which were the consequences of becoming an academic enterprise?

5. Jeopardizing Teaching and Research’s Autonomy

Throughout our investigation we have shown that free undergraduate education is not a sufficient condition for denying a university’s commodification. The UBA has become an academic enterprise selling all sorts of commodities, from internships and postgraduate education to research and patient’s care. Our results are in line with other authors’ approaches: in peripheral countries, like Argentina, higher education institutions sell training, consultancies or technical services instead of new developments (Langer, 2008; Riquelme and Langer, 2013).

Although this process was probably culturally accepted and encouraged, particularly in some faculties, as a result of insufficient public block grants, own resources’ rate of growth
and variety contributes to explain that there were private demand needs waiting for the UBA’s corporization. Anyway, this was not a straightforward process. A deep-rooted culture of academic autonomy rejected commodification, mainly in the research faculties (Buchbinder and Marquina, 2008; Morgade, 2014).

Actually, inside the UBA realities vary significantly as some faculties enjoy enormous amounts of own resources and are constantly looking for more market opportunities, while in the research faculties this source of revenues is negligible. In line with previously mentioned authors (Kleinman and Vallas, 2001; Mowery, 2005; Sutz, 2005), the commodification process in the UBA has financially benefited some fields preferred by private enterprises. In accordance with the UBA’s focus on teaching the market winners were, primarily, the professional faculties. Their main sources of own resources come from selling students’ internships and postgraduate and continuing education. A major concern associated to the sale of postgraduate and continuing education is its impact over the undergraduate curriculum. Undergraduate degrees were shorten, particularly in the professional faculties, in order to push students to go on for a master programme once they graduate. Moreover, instead of including languages as a subject in undergraduate’s degrees, different faculties sell language courses.

As we have shown, there is a significant and growing importance of the Faculty of Economic Science’s own market, followed by the Faculty of Law. These faculties are teaching enterprises. Thousands of faculty teach without performing research which contributes to turn higher education into a training course, instead of being a dimension of the research activity where faculty disclose and further develop their research with students.

While own resources led to budget asymmetries between faculties, considering the minimum rate of public block grants that funds research, the consequences of commodification jeopardizing academic freedom affect every academic unit. Researchers receiving private funds face a reduction of their remaining time for free research. Commodities are sold only if they are considered as use values for the market; meaning that they should fulfil the demanding enterprises’ desires. Thus, research will not necessarily be in line with researchers’ more challenging questions. Nor will it be oriented towards solving main social problems, something that should be expected from research done in a public university. Furthermore, we have shown that enterprises demand mostly technical assistances or consultancies instead of creative new research, wasting researchers’ time in routine activities.

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9 Rikap and Arakaki (2011) explain in depth this process at the Faculty of Economic Sciences, focusing on the economics undergraduate degree.
The other budgetary alternative for performing research is to win a public competitive grant, but in this case the research agenda will probably be guided by lines decided by the government. In Argentina, they are increasingly oriented towards applied research in order to fulfil private needs. An interesting analysis for a future investigation would be to study the importance of competitive public grants for the UBA and among its faculties.

Thus, avoiding external direct pressures means to perform research almost without budget. This could be a short-term solution for social sciences and humanities, which may explain the reduced figures of own resources in those faculties. However, it is not an option for experimental research. This contributes to explain why researchers from the more applied fields are more engaged with private enterprises even if they are asked to do routine activities.

All in all, the UBA’s research agenda is under a threat. At the same time, probably own resources are still not enough to overcome their budgetary needs. Actually, different studies have shown that budget constraints remain as a significant concern among researchers at the UBA (Rikap, In press; Riquelme and Langer, 2013). While commodification is seriously affecting research, teaching activities are also being conditioned to achieve higher market revenues, limiting the idea of education as a right to the undergraduate degree which has also been shorten expanding the education market. Even if it is too soon to assess whether the UBA will overcome commodification, we have pointed out that it has not been a smooth process. Furthermore, we believe that understanding it is a necessary condition in order to face future challenges.

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