

# Financing and student indebtedness in higher education in the era of financialization of capital: FIES and the expansion of financial educational companies

*Financiamento e endividamento estudantil no ensino superior na era da financeirização do capital: o FIES e a expansão de empresas educacionais financeiras*  
*Financiamento y deuda estudiantil en la educación superior en la era de la financiarización del capital: el FIES y la expansión de las empresas de educación financiera*

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**Abstract:** The article analyzes the relationship between student financing and indebtedness in higher education in the context of the financialization of education. It is a documentary research with data extracted from the website of the National Fund for the Development of Education on the Student Financing Fund (FIES) in Brazil and the Organization for Economic Cooperation and Development (OECD) on student indebtedness in member countries. The results show that financialization has profoundly affected higher education, contributing to student indebtedness in several countries around the world, as well as in Brazil through FIES.

**Keywords:** Student Financing; Student debt; Financialization; FIES.

**Resumo:** O artigo analisa a relação entre financiamento e endividamento estudantil no ensino superior no contexto da financeirização da educação. Trata-se de pesquisa documental com dados extraídos do site do Fundo Nacional de Desenvolvimento da Educação sobre o Fundo de Financiamento Estudantil (FIES) no Brasil e da Organização para a Cooperação e Desenvolvimento Econômico (OCDE), sobre o endividamento estudantil nos países-membros. Os resultados apontam que a financeirização tem afetado profundamente a educação superior contribuindo para o endividamento dos estudantes em vários países do mundo, assim como no Brasil por meio do FIES.

**Palavras-chave:** Financiamento Estudantil; Endividamento estudantil; Financeirização; FIES.

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**Resumen:** *El artículo analiza la relación entre la financiación y el endeudamiento de los estudiantes de enseñanza superior en el contexto de la financiarización de la educación. Se trata de un estudio documental que utiliza datos de la página web del Fondo Nacional para el Desarrollo de la Educación sobre el Fondo de Financiación de los Estudiantes (FIES) en Brasil y de la Organización para la Cooperación y el Desarrollo Económico (OCDE) sobre el endeudamiento de los estudiantes en los países miembros. Los resultados muestran que la financiarización ha afectado profundamente a la enseñanza superior, contribuyendo al endeudamiento de los estudiantes en varios países del mundo, así como en Brasil a través del FIES.*

**Palabras clave:** *Financiamiento Estudiantil; Endeudamiento estudiantil; Financiarización; FIES.*

## INTRODUCTION

Capitalism, according to Marxist theory, is considered as an economic system maintained by exploring the workforce and made of capital accumulation by the means of production's owners. Thus, Marx (2008) states that:

[...] all income. [...] All assume by sometime the form of income money, so it can be turned into deposits and, consequently, into loan capital. Since there is any monetary way, **all income is destined to consumption or to accumulation, is part of the capital-goods value converted into money, and for this reason, expression and result of the real accumulation**, even it isn't the productive capital itself. (Marx, 2008, p. 666, our highlights).

Using this statement, Marx (2008) made it clear that the capital change itself, assuming new forms, however the value generates is always “expression and result of the real accumulation” (p. 666). We can state that, even assuming new ways to generate profit, such as at the current accumulation stage, the financing, that prioritizes a quick profit by means of selling stocks and speculation at the stock market and, apparently, the income resulting from financing activities its dissociated from value generation by means of the productive work, the profit of the financing capitalists is always a value generated by the added value process in the real production of goods.

On this context, education is considered an important product to reproduce the relation of capitalist production because it executes an important role in the reproduction of the conditions and the relations of production by forming the workforce.

Marx (2010) claimed that, in a capitalist society, everything is considered as a good and it is moved by the logic of the exchange value. A higher education, by the precepts of neoliberalism and financing, was changed into a financing and profiting good, committing human critical-emancipatory education. Thus, the knowledge and education of persons are reduced into commercial goods, changing education social role as a right for the whole population, from a social right to a commercial good.

At the current stage of capitalism, a broad process of capital financing has been developed, affecting the social public policies that have been directed by the financing logic. According to Stockhammer (2012), the transformations occurred by financing represents

[...] a crescent commercialization of the social relations. These transformations have different implications for different sectors of economy: the financial institutions are now adopting liquid assets; inside companies, this represents a changing at the relations of power from work to capital, but the capital rule assumed a new apparel, from value to stockholder; for the families, mainly the families of the working class, this transformation dissolved previous understandings of conscience of the working class and created new paths to explore. (p. 46).

The higher education financing refers to the process in which the capital appreciation and the search for profit have been intensified, mainly at the private-commercial education area. This includes the rise of financing investments in public education institutes<sup>3</sup> in the stock market, such as: Cogna Educação S.A; Yduqs; Ser Educacional; among others.

These public company groups have also increased their profit by adopting educational public policies as the National Fund for the Development of Education on the Student Financing Fund (FIES) and in the Program University for All (PROUNI) which made it possible the increased participation of the private segment on the educational provision, specially from 2010 to nowadays. In this context, the student debt is a direct consequence of this process since the students are obligated to pay these considerable debts to finance their studies. Thus, the students and their families are induced to formalize financing contracts, public or private, to have access to the higher education level.

The debt from student financing and its relationship with the financing process is a theme of great relevance to analyze the expansion of the private-commercial segment that is the aim of this paper. Thus, a documental research with data from National Fund of Educational Development (FNDE) site about Student Financing (FIES) and from written production about student debt was used. Besides, data from the Report of Organization for Economic Cooperation and Development (OCDE)<sup>4</sup> called “Educational Overview 2022: OCDE’s Indicators”, published in 2022, about student debt at countries members.

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3 Public companies are constituted by stock company with capital made by actions that are freely traded in the stock market

4 OCDE is an organization composed by 38 countries that defend the market economy and democracy, most of the countries members have a high income and a high Human Development Index (HDI) economy and are considered developed countries.

The article is composed of two topics, besides introduction and final considerations. On the first, a brief debate of the topic is presented, situating it nationally and internationally. On the second, an analysis about the expansion of private-commercial Higher Education Institutions (IES, in Portuguese) from the student debts in Brazil is shown.

## STUDENT FINANCING AND DEBTS IN HIGHER EDUCATION

In order to comprehend the phenomenon of student debt in higher education<sup>5</sup>, it's important to consider the international debate on this topic. In many places of the world, mainly in the United States (USA), student debt achieved impressive taxes. The high costs of tuitions and the reduction of public financing made the students go after loans to pay for their educational debts. In this context, financing, characterized by the increasing influence of financing segment in economy, is deeply affecting the educational system not only in Brazil (Soederberg, 2014).

In USA, student financing exceeds a total of other debts from insecure consumption (without guarantee), being the only one that increased after 2008's crisis. It registered US\$ 1 trillion in 2012, more than other consumers' debts (Soederberg, 2014). The author highlights:

The industry of student's loan is composed not only of private loans, but also by American State, and have turned a **profitable enterprise for the private agents, by means of continued expansion of the higher education system based on loans** (Soederberg, 2014, p. 105, our highlights).

Thus, the education financing makes a paradox visible: on one hand, a continuous effort from capitalists to expand the fictional value linked to credit, on the other hand, the student's inability to pay for the loans made, according to the high levels of non-payment.

The State acts as lender and super creditor, assuring that the tensions from credit accumulation are solved inside the barriers of a neutral authority of law, but keeping the bourgeois construction to obligate the legal payment of the debt. It also creates and normalizes the expansion of dependance from population exceeding credit to finance the higher education, based on a system of loans opposed to the help with subsidy.

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5 In Brazil, the expression "higher education" is used in legal documents as LDB (National Education Basis and Guidelines Law) 9394/1996. However, international documents adopt the expression "higher education" as the educational stage. We adopt both concepts in this paper, indistinctly.

The students' debts get even higher, usually above the average-income that they earn after graduation. "This change from a helping system for a loan one in higher education has been felt by the low-income students, in the American case" (Soedeberg, 2014, p. 108). Most part of student's debts in USA is public, around 85% in 2012, as most of them are guaranteed and subsidized by the State. The State also guarantees a broad parcel of the loans if the parents or the students don't pay (Soedeberg, 2014).

In USA, most of Higher Education Institutions (IES) are public, even so they charge significant taxes, mainly if the student lives outside the state. Not only the public but also the private one charges high taxes and, usually, the American families save to pay the tuitions and count on the financing from the Education Department (by the Program Direct Loan to Student) or by commercial entities such as banks, credit cooperatives and financing entities directed by the Federal Program of Loans to Family Education. There are institutions that accept both programs just one or none, the student must choose the private alternatives of loans in this last case (Sousa, 2008, p. 54).

Data from OCDE (2022) show that the financing support to students enrolled in higher education are different among the countries-members. This financial support can be made by student loans, scholarships or subsidies, based on resources, family allowance for students, tax benefits for students or their parents and other family transfers. In countries where tuitions aren't charged, the students may receive financial support for their subsidies. In countries where high tuitions are charged, the students depend on loans to access the higher education.

In Australia, Denmark, England (United Kingdom), New Zealand, Sweden and United States, at least 80% of national students received in 2019/2020 public financial support as student loans, scholarships or subsidies, however this percentage is between 55% and 61% in Chile, Finland, Lithuania and Norway. Between 34% and 44% of the students receive public financial assistance in France, Italy and Spain, while not more than 25% of the students receive in Austria, French and Flemish Communities in Belgium and Switzerland. In these countries and economies, the financial public support is destined to selected groups of students, as the ones from poor families (OCDE, 2022, s/n).

The student's loans can be made by two different ways and vary among the OCDE's countries-members. They can be made with "fix refund" which the students are obliged to pay at a fixed period, independent of its financial situation, after concluding the studies. The other way of loan is the "dependent income" in which the payment is conditioned to the borrower income when it achieves a determined limit after concluding the studies, and if the payment isn't fulfilled in a determined period (vary among the countries), the debt can be forgiven.

The student debt among OCDE's countries is an increasingly alarming reality, specially in countries in which around 70% of the students finish their studies in debt, as Australia, England (United Kingdom) and New Zealand. Even in countries where tuitions aren't charged, the students acquire loans for living expenses that are high in many countries (OCDE, 2022).

The student debt in the United States is the second main cause of debts for families in the country, just after mortgage and so it's one of the biggest worries of American society. The numbers are quite vertiginous: in 2020, total of the federal debts of students achieved US\$1.6 trillion, more than the Spanish Gross Domestic Product (GDP) (US\$4.4 trillion) (BBC/News World, 2020).

Information extracted from El País website<sup>6</sup> inform that the American university debt is 1.1 trillion (R\$ 4.3 trillion) higher than cars financing, as well as debts accumulated on credit cards, that are near 1 trillion. As statistics from USA Central Bank show, the problem is that these debts are mixed. The average debt of the recent formed achieves US\$ 28.400 (around R\$ 112.000) according to The College Board. This amount is higher for students from private universities (Pozzi, site Brasil El País, 2018).

In Brazil, the Student Financing can be considered a policy that strenghted the great expansion of the private segment of education. This process was originated in 1975, during the military dictatorship, when the Educational Credit Program (CREDUC) was established. It was a credit that offered debts at interest rate of 6% per year more adjustment of the Referential Tax (TR), with a grace period of one year and a depreciation period of one 1.5 the period of the financed course, with its term only beginning after the grace period ends. The operator agents were private banks, Banco do Brasil and Caixa Econômica Federal and the origin of the resources came from the Ministry of Educatuion and part from the lottery earnings. The program had 84% of non-payment tax and the solution was to make Caixa Econômica Federal the only provider and to create agreements to renegotiate the debts payments.

After the negative experience with CREDUC, in 1999, Fernando Henrique Cardoso's (FHC) government created the National Fund for the Development of Education in the Student Financing Fund, by means of Provisional Measure number 1.827/1999 – Law 10.260/2001, with the intention to democratize the access to higher education. It works as follow: the credit was offered under the liability of the federal government with the exclusive management of Caixa Econômica Federal. The interest rate was 9% per year (so 33% above the previous program), the value financed was limited to 70% of educational charge and the guarantor is now a demand. It was also necessary to pay R\$50 per month each three months to reduce the financing interest (Carvalho, 2011).

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6 Available at [https://brasil.elpais.com/brasil/2018/06/06/internacional/1528282199\\_859406.html](https://brasil.elpais.com/brasil/2018/06/06/internacional/1528282199_859406.html).

FIES' resources are transferred for the private IES by means of government debt security (Financing Certificates of serial "E" Treasure, CFT-E) issued in favor of the program, that can be used to reduce the debts with the National Treasury (pension contributions and federal taxes). The titles are passive of conversion by means of National Treasury titles. These titles are issued at the nominated modal (indicating the beneficiary) and monthly updated by the General Market Price Index (IGP-M, in Portuguese) of the previous month. It can be recovered in a single installment by means of tributes compensation debts or can be anticipated with buyback of the federal government. Caixa Econômica Federal was the Funds' operator and financing agent (Santos Filho; Chaves, 2016). FIES had only 4% of the private enrollments contemplated during the first year of the program, number that was even lower during the following periods until the last year of FHC's government (2002).

In 2010 (end of Lula's government), FIES was changed. The program, operated by Caixa Econômica Federal, was now jointly managed by National Fund for Education Development (FNDE) with Banco do Brasil participation with interest rate of 3.4% per year (thus negative in real terms) and the solicitation for financing was now possible at any moment in the year. (Santos Filho; Chaves, 2016).

In relation to the debt reducing, it took three times the period of the course and 12 more months, with grace period of 18 months. The target audience was the poor students, covering students with a per capita income up to 20 minimum wages. The rule of paying R\$ 50 every three months as financing interest was maintained.

The FIES beneficiaries enrolled at licensing courses, with a monthly income up to 1.5 minimum wage and PROUNI partial scholarships now have the right to access the "Educational Loan Operations Guarantee Fund" (FGEDUC) as an alternative to deposit. This fund guarantees 80% of the risk relative to non-payment, being the remaining 13% covered with resources from the federal government and only 7% from the keepers (Santos Filho; Chaves, 2016).

This kind of financing by the State benefits much more the capital than the student since he is subjected to the debt while the entrepreneurs guarantee the increasing of their profits once they have the tuitions payment assured. Thus, the education is used as a profitable good subjecting the students to debts, one side of the financed era of capital. The narrow relation between State and educational market, specially when considering financing as the current stage of capitalism, shows the contradiction between education as a social right and encouraging students and its families to debt by actions mediated by the State.

With the increasing search for maximizing the profit in all areas of life, including education, the rentier capital moves forward to the perspective of profit expansion by means of financial speculation. This debt process by means of the credit system contributes to expand the amplified accumulation of capital for segments that should be of the State responsibility, as they are social rights.

The credit system implies not only exploring the relations of power, but also to ease the expansion and reproduction of capital accumulation [...] the student debt is integral part of the credit system and the process of capital accumulation, besides trying to “repoliticize” the comprehension of the industry of student loans (Soederberg, 2014, p. 690).

Yet relative to FIES, with the changes promoted in 2010, the term to pay the financing was extended to three times the financed period plus 12 more months. Thus, the student will take 13 years to pay for the debts, meaning that its duration will be more than a decade under to pay the financing debt. In 2014, FIES achieved 1,896,905 valid contracts and the average debt of the beneficiaries was around 40 thousand reais; in the middle of 2017, 46.41% of the repayment contracts are not paid (Ministry of Finance, 2017).

From 2015, FIES’ rules were modified by the Regulatory Ordinance number 08/2015. There were some restrictions such as the minimum grade of 450 at Brazilian High School National Exam (Enem, in Portuguese) and the written exam must be higher than 0 (zero) in order to finance the value. In the case of a family monthly gross income per capita became up to 2.5 minimum income. Moreover, the interest rate increased to 6.5% per year. As a result of these changes, there was a great decrease in the number of concessions of new contracts, as demonstrated on the following item.

Analyzing the relation between student debt and capitalism financing, a complex contradiction at current society was revealed. The financing as an intrinsic process for the development of capitalism, boosts the domain of financing capital about economy while student debts become one of the consequences of this logic.

Financing and counting subjectivation – the students accept the idea of investors themselves, with a self-management speech and risk taking [...]. Financing is faced as a bet on a better future that, in case it doesn’t fulfill, not only by internal factors, but also by external ones, it will drive the students to an even worse social fragility. A part of their lives is financed, on a movement facilitated and encouraged by government itself, by a strong public expenditure (Andrade, 2018, p.123).

Marx (2008) highlights the importance to totally comprehend the social phenomena, understanding the internal contradictions that move the dynamic of the capitalist society. With this background, financing became a way of capital accumulation in which monetary value as stocks, titles and derivative increasingly have more importance in detriment of goods and services production. This predominance of the financial capital is affecting many areas of the society, including the higher education level.

In this context, financing acts in a contradictory way. On one hand, promotes access to information, contributes with the growth of private IES and, consequently, for the admission at higher education level, a process that is apparently positive. On the other hand, creates an environment extremely competitive and of a doubtful quality that the tuitions cost becomes more accessible (excluding the premium courses<sup>7</sup>) for many students, by means of many strategies for students' collection, as it will be developed on the next item of this paper.

This contradiction gets even worst with student debt. Without the access to the public higher education, a lot of students are obliged to appeal to FIES or to private financing institutions to finance their studies. This results on a paradox situation when searching for education, that should be free of charge as it is a social right, may take to an even higher submission to the capitalist system by means of the debt.

## **THE EXPANSION OF FINANCING EDUCATIONAL ENTERPRISES BY MEANS OF STUDENT FINANCING**

The State fulfill a fundamental role when defining educational policies and financing higher education. By adopting neoliberal policies, it benefited privatization and the decrease of public investments in education, what significantly contributed to the financing of educational segment.

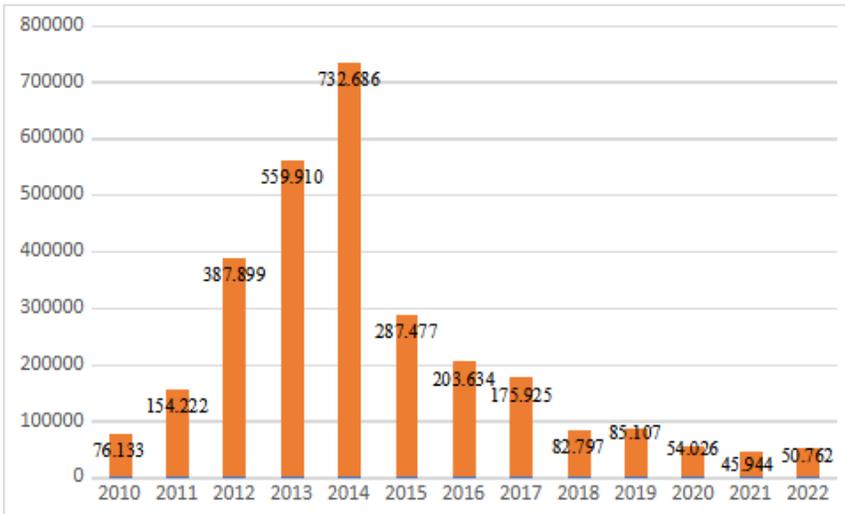
As to this matter, the policies of student credit and the scholarship program, Prouni (Program University for All), enabled a significant expansion of the IES private-commercial. When the State doesn't offer accessible options for higher education and doesn't adequately fulfill necessities from poor students, this creates an increased dependance of private loans, occasioning debts for the students and their families.

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7 The called premium courses are the ones offered by IES (Cogna and Yduqs) that have high tuitions costs and are considered the best courses concerning to adding value such as Medicine and some areas of Engineering (Cogna, 2020; Yduqs, 2022).

FIES has a significant role at this expansion and at the financing process of private educational enterprises, such as Kroton/Cogna and Yduqs. These enterprises are prominent expressions of higher education institutions that were significantly benefited by government program and by changes at Brazilian educational scenarios during the last decade. Observing graphic 1, it's possible to notice the increasing number of FIES contracts from 2010 to 2022.

**Graphic 1 - Number of FIES new contracts - 2010-2022**



Source: Brazil/FNDE.

This graphic demonstrates the increasing number of new contracts awarded to FIES during the term from 2010 to 2014. However, from 2014 to 2015 there was a decrease of 61% in the number of new contracts due to a change in the established criteria in 2015. This reduction of new contracts still happened from 2016 to 2018, almost achieving the same number of contracts firmed in 2010. In spite of a timid increase of new contracts in 2019, it is possible to note a bigger fall from 2020 to 2022, with only 50,762 new contracts, quite bellow if comparing to 2010. From 2014 to 2022, the fall in the number of FIES new contracts reached 93%. This change can be attributed to the amendments made in the program in 2015, however its fundamental importance for the increase of enrollment at private IES is irrefutable

With the decrease of FIES new contracts and the program in crisis, the educational enterprises seek strategies to keep expanding their business and increasing the number of enrollments, and the private student financing is an example. The educational groups Cogna Educação and Yduqs began to offer the private student financing after the amendments applied on FIES that came into force in 2015.

Cogna Educação began to offer a student financing called “Private Special Installment” (PEP, in Portuguese), also offered the Private Student Financing (FEP, in Portuguese) in a partnership with BV Financeira. On the other hand, Yduqs (previously known as Estácio Participações S.A) offered the Private Student Installment (PAR, in Portuguese) from 2017 (Reis, 2019; Sousa, 2019).

These groups offered some special conditions with these financing: the student doesn't need a grade at Enem, nor a guarantor, the term to pay is twice the course duration, even more, tuition values wouldn't have interests, only monetary adjustment according to Extended National Consumer Price Index (IPCA, in Portuguese).

Although all these easiness, Sousa (2019) and Reis (2019) researches analyze these financing ways and claim that are fallacious in the point of view from interest charge once the courses may undergo value amendments according to credits of the courses load from subjects and the values due by the students are corrected above inflation, thus the student is submitted to a high debt:

[...] the student will pay at the end of the 10 years financing period [for a five years course], since the installment of the remaining balance must be annually adjusted until fulfill the payment according to PAR regulation. These values, in addition to tuitions value paid during the course achieve R\$ 152,394.00 (Sousa, 2019, p. 96).

Not only the public financing (FIES) but also the private ones may facilitate the access to higher education, but it's necessary to analyze its consequences. The student debt may be costly and expensive obligation for the students that go after a job afterwards graduation. This situation gets worse because of the economic condition in Brazil<sup>8</sup>, what may complicate the payment of the loan. This takes to accumulation of debts and affects financial stability of the families.

Over the years, FIES expansion also brought problems for the program. Besides the State must contribute with a great quantity of resources from public fund for the program, benefiting entrepreneurs from education segment, the students'

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8 Important to highlight that, since 2015, the crisis in Brazil got worse resulting on adoption of policies even more strict for tax adjustment of the country, with cuts in the financing of social policies, what affected FIES leading to a reduction in the number of new contracts. The policy of fiscal austerity was even more significant during Temer and Bolsonaro governments (2016-2022).

non-payment caused a leak on the public fund. On December 2022, the program had 1.9 million of active contracts, involving R\$ 111.6 billion. The non-paid debts achieved around R\$ 11 billion<sup>9</sup>.

Moreover, there were moments that the search for vacancies overcame the offer of available resources, reduction the number of subsidized vacancies and the difficulty that some students must get the financing. This limitation obliged them to go after other ways of financing, such as private loans that have higher interest charges and the conditions aren't so favorable, during and after the under graduation, as the case of PAR offered by Yduqs.

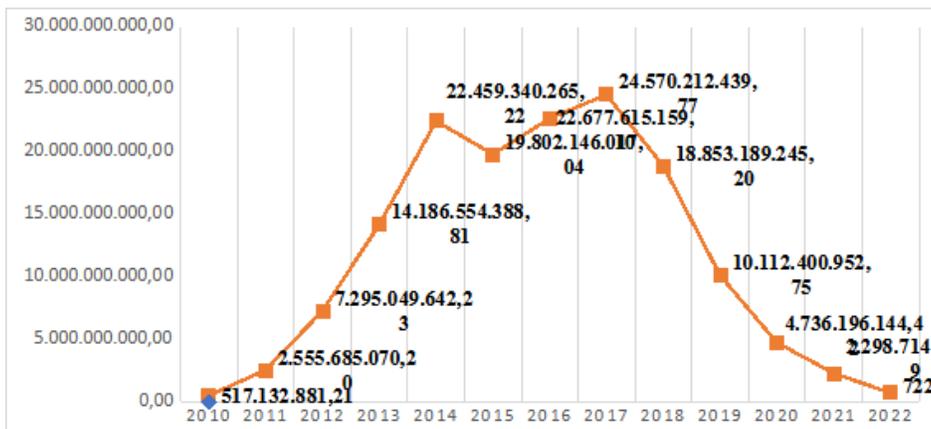
The most part of the result is a lot of young people starting their working lives highly indebted. Thus, it's possible to see them as dependents of financial market. This student becomes not only a fundamental mechanism to obtain a higher degree of education but also a key element in the life of this tier of society (Andrade, 2018, p. 89).

The educational policies implemented by the Brazilian government have been favorable to great financed educational groups, specially by means of FIES and Pronui that could be benefited with the warranty of tuitions payment and the exemption of charges by the federal government. The financing program partially or fully pays the tuitions of the financed students, assuring a source of stable and previsible revenue for these enterprises. This enabled them to expand their business, acquiring other institutions and open new *campi*, fortifying their positions at Brazilian educational market. The graphic bellow allows to visualize the behavior of the transferences of public resources to IES.

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9 G1-Globo. Ana Carolina Moreno, Marcelo Lemos, Lelio Ramos e Patrícia Falcoski. FIES defaulters accumulate R\$ 11 billion with unpaid debts. 03/07/2023. Available on: <https://g1.globo.com/educacao/noticia/2023/03/07/inadimplentes-do-fies-acumulam-r-11-bilhoes-em-dividas-atrasadas.ghtml>. Access on: 08/20/2023.

**Graphic 2 - Resources transferred from FIES to the keepers of private-market IES - 2010-2022 (in R\$ million, adjusted by IPCA on June, 2023)**



Source: BRAZIL/FNDE (2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022).  
(Graphic elaborated by the authors)

According to graphic 2, it's possible to notice the increasing of transferences of resources to the keepers of private IES, going from R\$ 517,132,881.21 in 2010 to R\$ 722,491,632.72 in 2022. Although presenting fluctuations, it's possible to note a great amount of money, specially in 2014, 2016 and 2017, when the transferred values overcame R\$20 billion. According to available information in FNDE site, from 2010 to 2022, the resources transferred achieved around R\$117 billion, and 43.26% of this money were destined to Southeast region. However, when this amount is adjusted, the total value corresponds to R\$ 150,786,728,573.26 billion during the period represented on the graphic above.

To illustrate how much the private IES expanded by using public fund from the creation of programs as FIES and Pronuni, we present the data relative to resential enrollments from Cogna holding on table 1 as follows.

**Table 1 - Expansion of presential enrollments in Kroton/Cogna Educação S.A (2011-2021)**

Years	PRESENTIAL ENROLLMENTS.
2011	97.280
2012	130.976
2013	156.432
2014	422.783
2015	437.633
2016	412.247
2017	375.413
2018	358.093
2019	321.371
2020	229.440
2021	186.642
2011/2021 $\Delta$ (%).	91,86

Source: Elaboration of the authors based on the Reports of financial demonstrations of Cogna Educação (2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021).

With the table above it is possible to note the increasing in the number of enrollments of Cogna enterprise from 2011 to 2021, with an expansion of 31.86% of enrollments. However, it's important to highlight that 2015 presented the highest number of enrollments in the period, achieving 437,633 students enrolled in presential courses, an increase of 350% from 2011 to 2015. Since 2016, there is a decrease that is explained by the amendments in FIES, reducing the number of new contracts, what can be demonstrated when relating the data on this table with the graphic number 1 above, impacting the presential enrollments of IES owning the group (considering that FIES is only authorized for presential enrollments). Thus, it's irrefutable that student financing contributed for company's expansion.

The expansion of the financed private-market IES obtained by using resources from public fund is characterized by a governmental action conniving with the process of financing of the higher education in the country, and the comprehension that the State has acted as a great impeller and mediator of the process of capital expansion.

FIES, as the other educational policies instituted in the two last decades, is a result from the interference of capital detainers, which focused on PPP's promotion, educations privatization and financing. The financing fund transfered resources of billionaire tier for IES private-markets without no control and counterpart of the institutions until 2015, when the expansion of these institutions and the negotiations (fusions and acquisitions) among IES were fortified, with the dominance of the conglomerates (Santos, 2018, p. 207).

The financing of enterprises groups of the higher education private segment enabled the development of strategies of inorganic growth of educational companies by fusing and acquiring IES. The following table 2 shows this movement of acquirement process of Kroton/Cogna.

**Table 2 - Fusions and acquirements made by Cogna (2010-2022)**

Year	Quantity
2010	4
2011	4
2012	2
2013	1
2014	1
2015	1
2016	0
2017	0
2018	2
2019	1
2020	3
2021	4
2022	4
TOTAL	27

Source: Elaborated by the authors based on the Reports of financial demonstrations of Cogna Educação (2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 e 2022).

For example, Cogna acquired 27 educational institutions from 2010 to 2022, consolidating its market power and expanding its national presence. According to its reports, these acquirements were frequently financed by loans and debt releases, increasing the exposition of these enterprises to students' debt. Thus, a well served question: if these enterprises have a crisis, how the students will be? Will they have their graduations warranted until finished and, if so, how it will be?

It's important to highlight, although the quick expansion and the financing of educational enterprises also brought systemic risks to educational segment, so that FIES dependance as financing source and the high exposure to debt created a vulnerability, specially at moments of political and economic changes. Changes in governmental policies or economics may result in serious financial risks to these enterprises and, consequently, affect millions of students and professionals, fact that may compromise the education of these students.

The educational entrepreneurs use the education, especially the higher education, as a way to maximize their profits, causing satisfaction on stockholders and promoting strategies to collect students that they called clients.

Before this context, it's necessary a critical eye and thinking about solutions in order that students and their families get free of the student debt. It's fundamental to invest on public policies that warrant a higher quality education accessible to all.

## **FINAL CONSIDERATIONS**

The policy of student financing developed in Brazil for higher education, especially by means of FIES, undertook a crucial role in the expansion and financing of private educational enterprises, as Cogna, contributing for the accelerated growth and for the consolidation of its power in the Brazilian educational market. However, the dependance of governmental financing and the students' exposure to debt also brought risks and challenges, demanding a critical look at the educational policies and the impacts of financing in private higher education in Brazil.

Thus, student debt is a more and more relevant issue, not only in the national scenario but also in the international, because it is intrinsically linked to capitalism at its financed stage.

The capitalist State undertook and is still undertaking a contradictory role when implementing educational public policies for students to access higher education because, at the same time it facilitates such access, promoting student and their families' debts almost in all countries, transforming education into negotiable good in the financing market by means of the credit system.

An analyzis that consider the whole reveals that this contradiction isn't isolated, but part of a wider system of exploration and inequality. The student debt, in the perspective of totality, is connected to financed capitalism logic, which tries to maximize their profits and uses knowledge as a good.

Student debt and capitalism financing are indivisible aspects of the totality of the system, representing a contradiction that risks the democratic access to education as a citizenship right.

The data proves that the Brazilian government contributed to the expansion of private IES by means of student financing policies, such as FIES. Before the decrease of public financing, since 2015, these institutions search for ways to offer education through students private financing and credit, resulting on a significant increase of the students debts who get loans to access the higher education.

Thus, a critical analysis of the capitalist society and educational system is fundamental to overcome the contradictions intrinsic to student debt. Policies prioritizing universal access to education, the reduction of public investment in private-market IES and the strengthening of educational public institutions must be means to confront this problematic.

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