

2026 EUA FUNDING FORUM

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Hosted by Brno University of Technology
15-16 October 2026 | Brno, Czechia

The Rise of Private Higher Education in Spain: A Comparative Analysis of Enrolment Trends between Public and Private systems and Regional Dynamics

Carmen Pérez-Esparrells

Associate Professor | Department of Economics and Public Finance
Faculty of Economics and Business | Autonomous University of Madrid



FACULTAD DE CIENCIAS
ECONÓMICAS Y EMPRESARIALES



Economía
de la Educación



Roadmap

- 1. Context of Spanish University System: regional & SWOT analysis**
- 2. Market private drivers: Characterization of the Spanish private universities**
- 3. Factors explaining the expansion of the private university system in Spain**
- 4. A comparative analysis of enrolment rates (bachelor and master) at central and regional level**
 - Central level (Spain)
 - Andalusia
 - Catalonia
 - Madrid region
 - Valencia region
- 5. Main conclusions**
- 6. Policy recommendations**

1. Context of the Spanish University System

- The Spanish university system has undergone a profound structural **transformation and modernization from the early 21st century**, characterised by the entrance in the European Higher Education Area (EHEA).
- Historically, the decentralization of university governance and the transfer of higher education responsibilities to Spain's Autonomous Communities facilitated a significant territorial expansion of public universities between 1984 and 1997, improving accessibility and democratizing participation in higher education.
- This decentralization process has led to **greater autonomy at regional level** but also have generated fragmented academic planning and tuition fees policies and significant disparities in regional funding.
- At the same time, there has been an asymmetrical growth in the number of private universities at regional level, driven by market forces, as these institutions do not receive any form of public funding from the Autonomous Communities (with the exception of student grants and competitive research funding, which is usually provided at central government level).

1. Context of Spanish University System at regional level

COMUNIDADES AUTÓNOMAS	UU.Públicas				UU.Privadas				Universidades			
	1984	2000	2025	Δ2025/1984 (%)	1984	2000	2025	Δ2025/1984 (%)	1984	2000	2025	Δ2025/1984 (%)
ANDALUCÍA	5	10	10	100%			2		5	10	12	140%
ARAGÓN	1	1	1	0%			1		1	1	2	100%
CANARIAS	2	2	2	0%			4		2	2	6	200%
CANTABRIA	1	1	1	0%			1		1	1	2	100%
CASTILLA LA MANCHA	1	1	1	0%			0		1	1	1	0%
CATALUÑA	3	7	7	133%		4	5		3	11	12	300%
EXTREMADURA	1	1	1	0%			0		1	1	1	0%
GALICIA	1	3	3	200%			1		1	3	4	300%
LA RIOJA	0	1	1				1		0	1	2	
ISLAS BALEARES	1	1	1	0%			0		1	1	1	0%
PAÍS VASCO	1	1	1	0%	1	2	3	200%	2	3	4	100%
CASTILLA Y LEÓN	3	4	4	33%	1	3	5	400%	4	7	9	125%
MADRID	4	6	6	50%	1	5	13	1200%	5	11	19	280%
FORAL DE NAVARRA	0	1	1		1	1	1	0%	1	2	2	100%
COMUNIDAD VALENCIANA	3	5	5	67%			4		3	5	9	200%
PRINCIPADO DE ASTURIAS	1	1	1	0%			0		1	1	1	0%
REGIÓN DE MURCIA	1	2	2	100%		1	1		1	3	3	200%
ESTADO	2	2	2	0%			0		2	2	2	0%
SISTEMA UNIVERSITARIO ESPAÑOL	31	50	50	61%	4	16	42	950%	35	66	92	163%

While the number of public universities increased from 31 to 50 between 1984 and 1997, private universities expanded from 16 to 42 institutions between 2000 and 2025.

By 2024/25, approximately one out of every four university students in Spain was enrolled in a private institution.

SWOT analysis: Public University System versus the explosive growth of private universities

Strengths

- Wide territorial coverage thanks to the university decentralization process.
- High social legitimacy of higher education as a mechanism for social mobility and economic development.
- Consolidated network of public universities with research capacity, specialized human resources and developed infrastructures.
- The system's ability to attract a growing proportion of young people to university studies.
- Institutional diversity and increase in training modalities, especially in online teaching.

Weaknesses

- Insufficient systemic planning and coordination of the academic offer.
- Little institutional specialization and predominance of generalist curricular structures.
- Chronic underfunding and territorial inequalities in university funding.
- Regulatory rigidity and difficulties in quickly adapting the teaching offer to changes in demand.
- Inability to sufficiently expand places in degrees with high demand (Medicine, Nursing, Psychology, etc.).
- Poor capacity to close, resize or restructure degrees with low demand.

Opportunities

- Growing social demand for higher education and continuing training.
- Development of digital teaching and hybrid models.
- Possibility of strengthening strategic degrees linked to digital transformation, health and STEM.
- Funding reforms oriented to results and social needs.
- Public-private cooperation in research, transfer and specialised training.
- Internationalisation and recruitment of foreign students.

Threats

- Accelerated growth of private universities and increase in their market share.
- Socioeconomic segmentation of access to certain degrees.
- Concentration of private demand in profitable areas but not necessarily a priority for the productive fabric.
- Persistence of high cut-off marks that drive demand out to the private sector.
- Risk of loss of talent and relative prestige in areas with strong private competition.
- Increase in territorial and financial inequalities between autonomous communities.

2. Characterization of the Spanish private universities

- Greater presence in provinces with high per capita income.
- Greater presence in provinces with a larger population of 18 years of age (potential population).
- Greater specialization in teaching mission, more graduate students and greater concentration in certain fields of knowledge.
- Fewer bachelor's degrees offered (it depends on the region and university).
- Strong commitment to the internationalisation of students (their presence doubles that of face-to-face public universities).
- Significantly smaller size (6,556 students on average compared to 22,633 in the face-to-face public system).
- Different types of students at the time of admission (older students in private universities).
- Younger teaching staff (43.7 years compared to 48.1 years in public teaching and research staff) and with less research training (53.7% of PhDs on Academic Staff (FTE) compared to 77.2% in public ones)
- Less dense international networks of contacts (6 percentage points less publications in international co-authorships).

3. Factors explaining the expansion of the private university system in Spain (Market driven steering)

External or extrinsic factors: affecting not only the growth in demand for higher education at private universities but also at public ones:

- Strong labour-market returns associated with higher education
- Increasing demand for university credentials
- University education has become a normal good: the more disposable income households have, the more individuals (students and their families) are willing to pay in the global higher education market. In addition, a student's choice of degree is not a minor decision: it is a collegial decision between the student and their immediate environment as it will determine their personal and professional future. For this reason, more middle-class families make a greater financial effort for their children's university education.

Factors explaining the expansion of the private university system in Spain (market driven steering)

Internal or intrinsic factors:

- Persistent unmet demand in high-demand degree programmes within public universities
- Chronic underfunding of public institutions
- Greater flexibility of private providers in adapting academic offerings/programs
- Lower barriers to admission
- Stronger professional networking opportunities.

4. A comparative analysis of enrolment rates in public and private systems at national and regional level

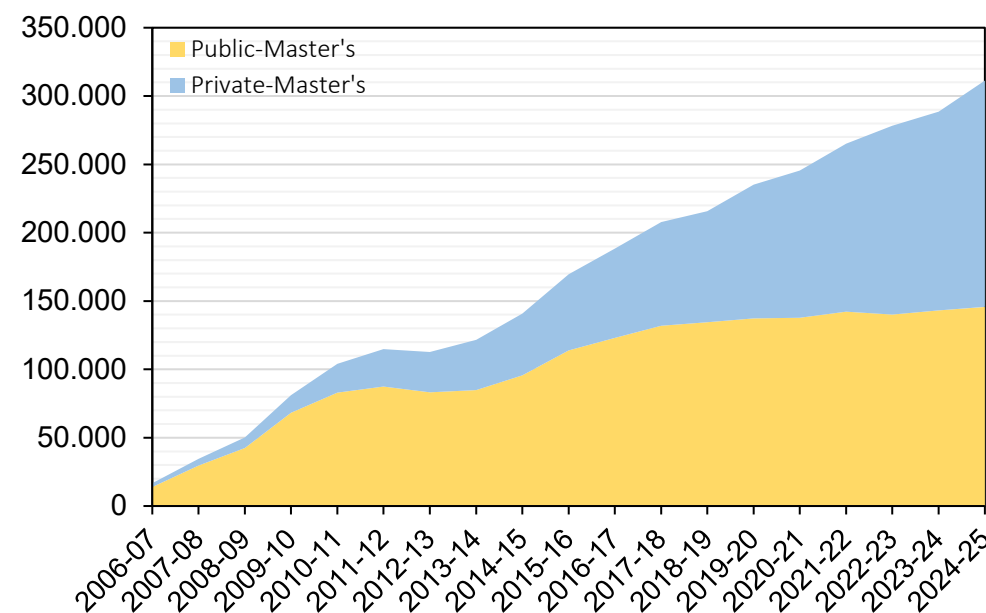
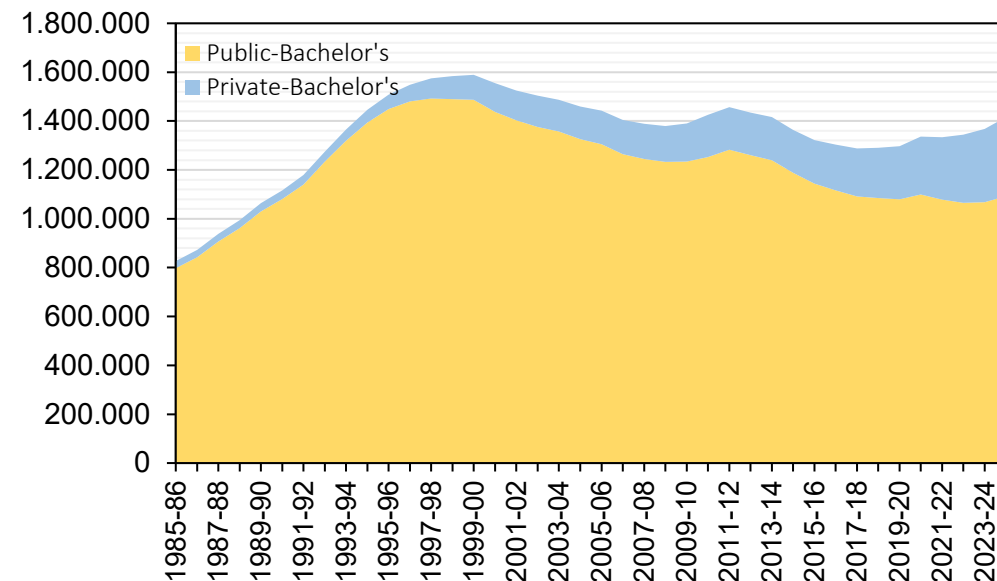
- **In progress:** a comprehensive, data-driven analysis of student enrolment trends across Bachelor's (Grado) and Master's degrees, contrasting the evolution of private institutions against their public counterparts.
- Evidence suggests that private universities have focus their expansion in programmes with **high student demand**—particularly Health Sciences, Business Administration, Psychology, Law, and related disciplines—rather than in fields most closely aligned with national labour shortages, such as STEM disciplines. Their growth strategy appears to be driven primarily by **market demand** and **institutional profitability** rather than by broader workforce planning objectives (in line with the productive fabric).



Distribution of Spanish Universities. (Source: MCIU, Estadística de Universidades, 2025.)

Spain: Country Level

- **Bachelor's Degree (Grado)**
 - Public sector peaked: Reached aprox. 1.5M in 1998; now stabilized at 1.1M.
 - Private sector boom: 10x exponential growth since 1985; now captures ~23% of total enrollments.
- **Master's Degree**
 - Explosive expansion: Rapid market growth across both sectors since 2006.
 - Historic crossover (2024-25): Private enrollments (165k) officially surpassed Public (145k).

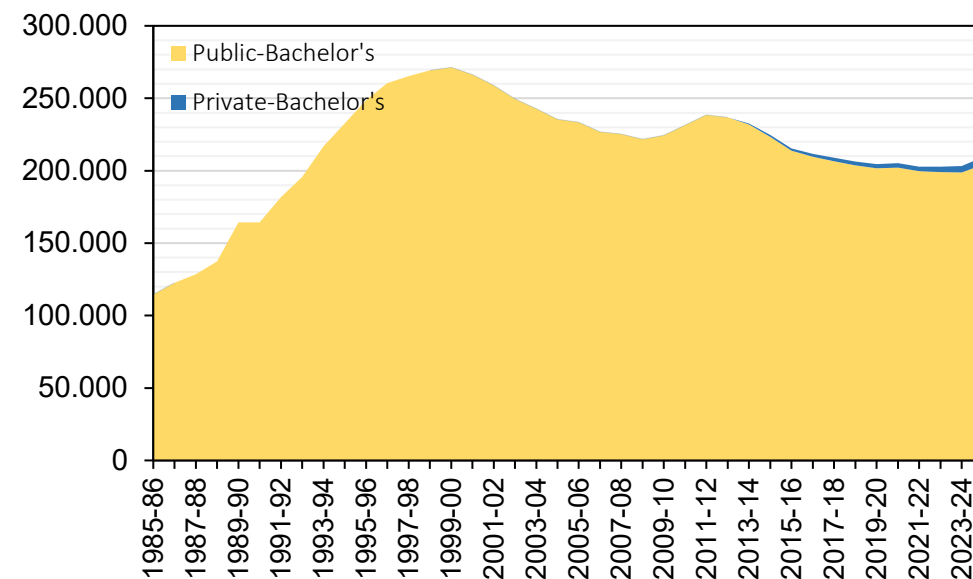


Andalusia Region



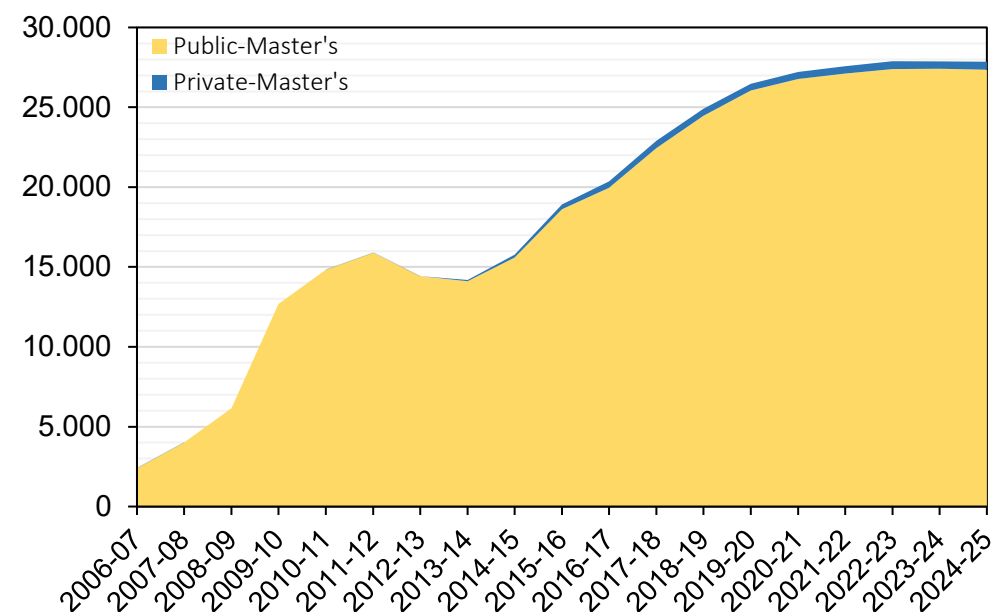
• Bachelor's Degree (Grado)

- Absolute public dominance: Public universities retain a massive ~97.5% market share (~204k students).
- Late private entry: Private sector emerged only in 2013 and remains marginal (~5k enrollments today).



• Master's Degree

- Public sector monopoly: Public enrollments grew steadily to aprox. 27k, holding +-98% of the regional market.
- UNIA (Universidad Internacional Andalucía), Public: +6k master students.
- No private crossover: Contrasting national trends, the private presence is negligible (<2%)

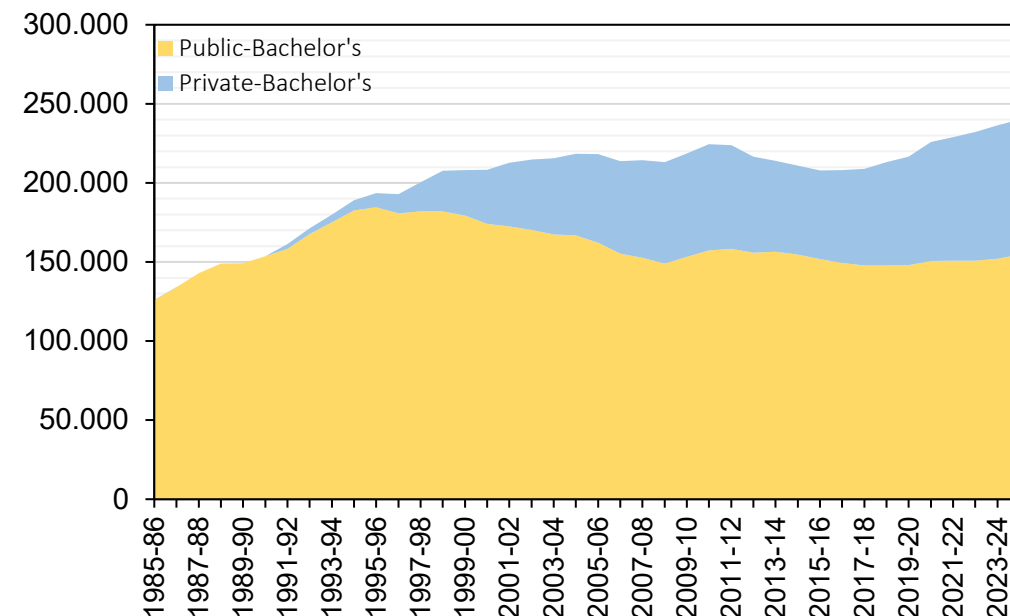


Catalonia Region



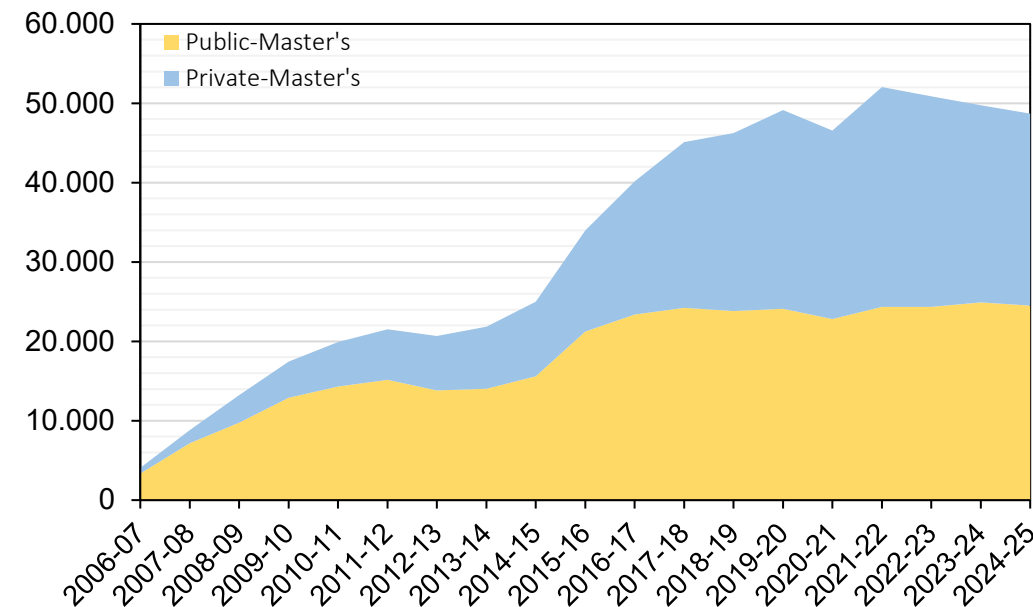
• Bachelor's Degree (Grado)

- Strong private sector: Private universities capture +-35% of the market (+-85k students), well above the national average.
- Public stagnation: Public enrollments peaked in the mid-90s (184k) and remain flat at aprox. 150k today.



• Master's Degree

- Head-to-head competition: The market is virtually split 50/50 between public (24.5k) and private (24.1k) institutions.
- Private growth: Private enrollments surged x30 since 2006, completely neutralizing the public sector's historic lead.

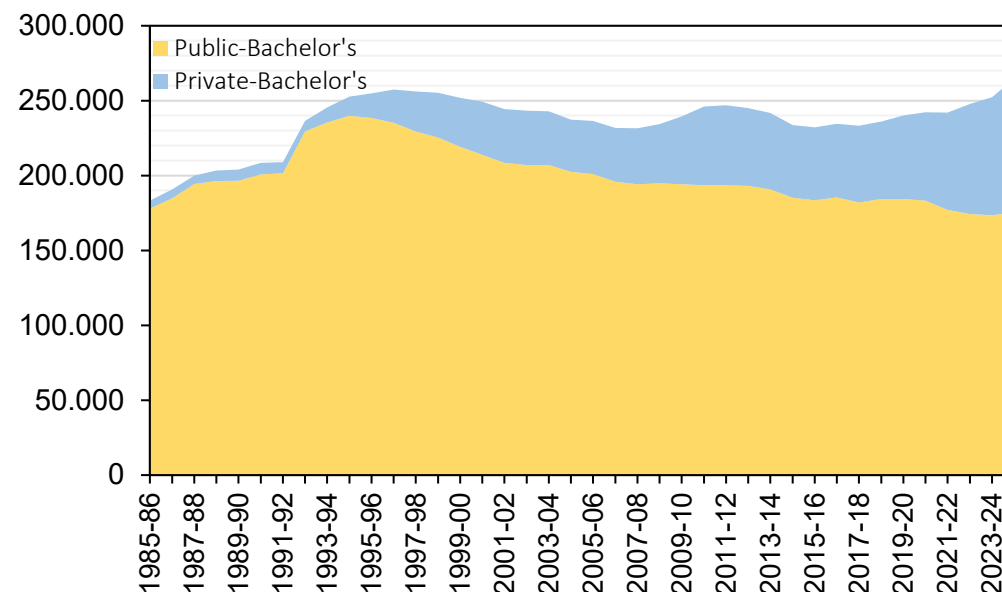


Madrid Region



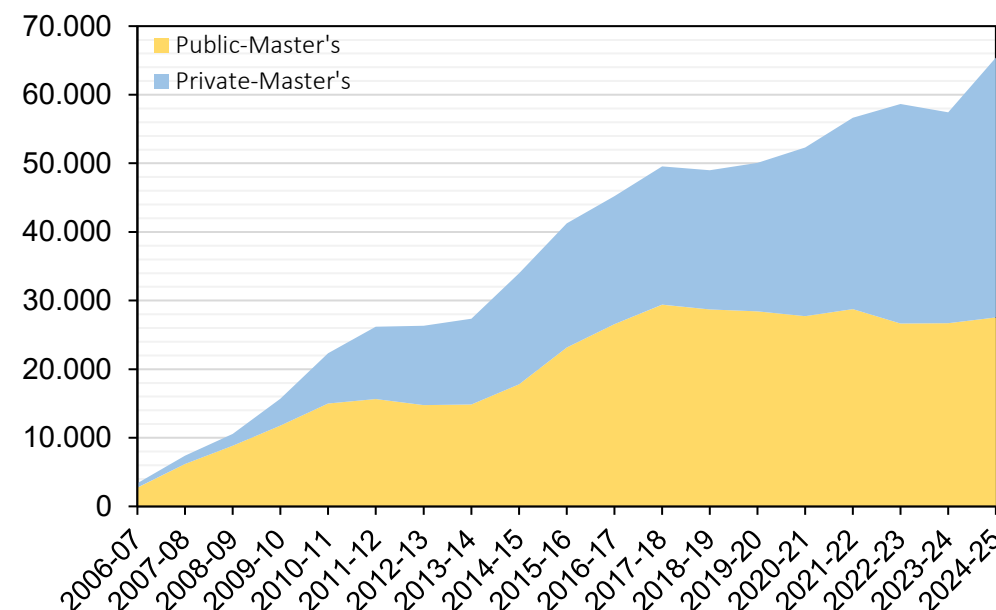
• Bachelor's Degree (Grado)

- Surging private share: Private enrollments soared to 89k, now capturing 34% of the regional market.
- Public decline: Public universities dropped from a 240k peak in the mid-90s to stabilize at 175k today.



• Master's Degree

- Clear private dominance: The private sector overtook public institutions in 2022 and now holds a nearly 60% market share.
- Explosive growth: Private enrollments skyrocketed from just 600 in 2006 to nearly 38k, driving all recent growth in enrollments.

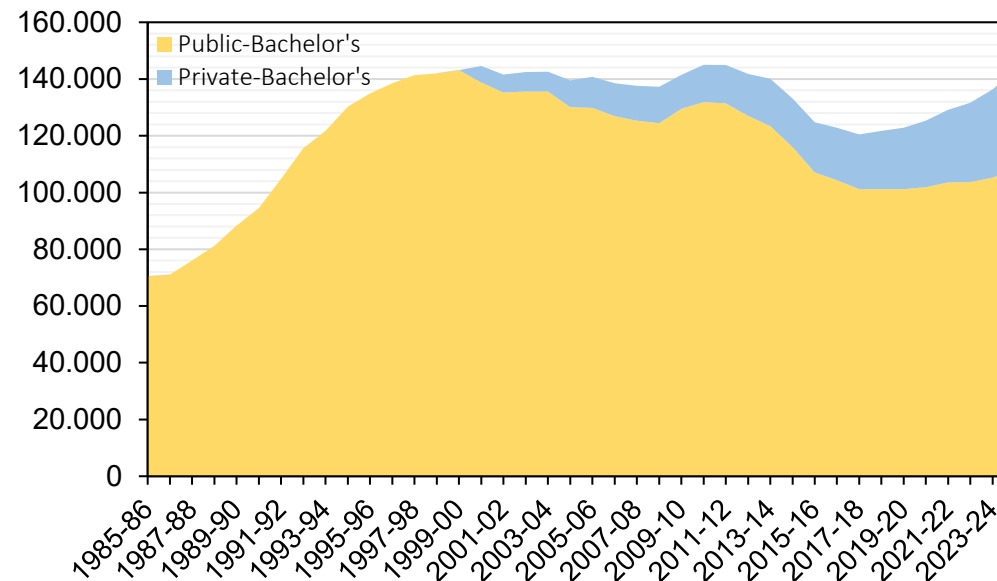


Valencia Region



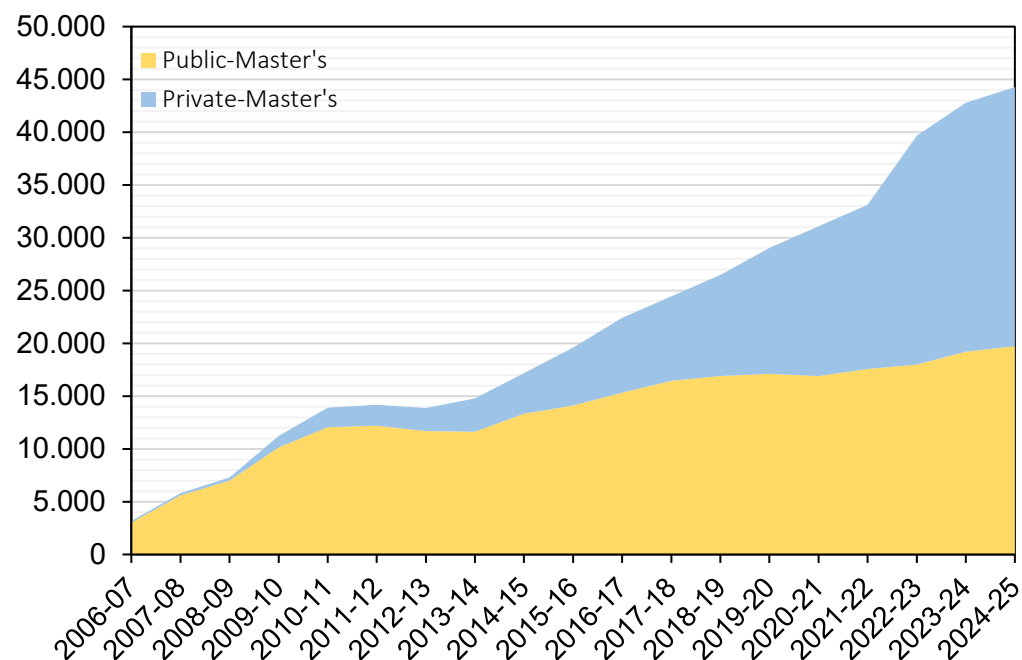
• Bachelor's Degree (Grado)

- Steady private rise: Private enrollments reached aprox. 35k (24% market share), growing consistently since 2000.
- Public contraction: Public numbers fell from a 143k peak in 1999 to 108k, opening space for private growth.



• Master's Degree

- Private takeover: The private sector successfully overtook the public system in 2022.
- Market leadership: Private institutions now dominate the region with aprox. 24.5k students (vs. 19.7k in public).



5. Main conclusions (I)

- **The stabilization of public higher education providers:**
 - Public universities retain significant strengths, including scale, academic capacity, research infrastructure, and social legitimacy.
 - However, rigid regulatory frameworks, limited financial resources, insufficient long-term planning, and difficulties in expanding capacity in high-demand programmes have enabled private institutions to capture increasing market share.
- **The uneven rise of private higher education providers:**
 - Private universities have evolved from being alternative niche markets to becoming emerging pillars of higher education, single-handedly driving the recent growth of the Spanish higher education sector (particularly in the field of master's degrees).
 - This expansion is highly uneven across different regions.

5. Main conclusions (II)

- **There is regional polarization in the development of Private University System in Spain.** Private expansion of private institutions is thriving in Spain's economic powerhouses whilst it remains virtually non-existent in historically subsidised regions with a substantial public university offering and low university fees.
 - The expansion of the private sector thrives in the most prosperous and deregulated economic hubs (such as **Madrid, Catalonia and Valencia regions**), where private institutions, thanks to their flexibility, are able to quickly meet a potential demand that rigid public universities are unable to satisfy.
 - Conversely, regions with more 'protectionist' higher education policies and a lower GDP per capita (for example, **Andalusia**) continue to place greater emphasis on the traditional public sector in higher education.

5. Main conclusions (III)

- In general, the expansion of private universities reflects both changes in student preferences and the structural and financial constraints of the public HE sector in Spain.
- The growth of private higher education has been driven by unmet social demand in certain fields and regions, by admission constraints at public universities, and by the financial appeal/attractiveness of the recent private university model in Spain (with the exception of nonprofit universities), due to a shift in student preferences toward hybrid and online models in the age of Artificial Intelligence.

Thank you!

carmen.perez@uam.es



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Universidad Autónoma
de Madrid