The Long Journey: Perspectives on the Coordination of Chilean Higher Education

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Abstract: It is fairly established that Chilean higher education presents a high level of Habermasian "privatism," as long labeled by José Joaquin Brunner, being among the world's most privatized systems in terms of who pays, who is held to benefit directly from its action and who controls it. Less clear, however, is the contribution of public policy to this state of affairs. The systematic analysis of state action in the field of tertiary education is an ongoing task in Chile, not least given the revolutionary transformation experienced during recent decades. This study offers new possibilities of analysis for the Chilean case. Supported by the methodological analysis of Neil Smelser, it lays out an integrated framework that observes the progressive change in policy with regard to the interactions undergone by its principal dimensions (access, financing and quality, among others). Upon such a base, the study traces the trajectory of two regimes of sector regulation that become incorporated in three stages, initially by lack of maintenance of the regulatory framework, then by government

1This unofficial English translation is for reference only.

Journal website: http://epaa.asu.edu/ojs/
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Manuscript received: 28/05/2016
Revisions received: 24/09/2016
Accepted: 26/10/2016
decision. In the end emerge the conditions for sector policy in a new era, one in which the development of the universities might again come to depend fundamentally on the state.

**Key words:** Education policy; higher education; reform; policy change; Chile

**Introduction: The Dynamic Study of Sector Coordination**

Discussion about the orientation that higher education policy ought to have has been splitting apart in Chile in the present decade. Reflecting this polarization, the main options open suggest increasingly incompatible paths. In one view, it is proposed that we advance towards the consolidation of the modernization agenda of 1997, which brought about Project MECESUP, the creation of the quality assurance system and the introduction of state-backed student loans. The other view bays for a radical shift that substantively reinforces state presence in the coordination and regulation of the
sector. While the first angle implies deepening public action to generate conditions that improve and expand competition between universities, the second demands a new general design able to transition towards a scheme of coordination that seeks to emphasize the centrality of public agencies in the sector and extends the proportion of enrollment to the traditional universities.²

This study locates such a crossroads from the point of view of sector coordination’s story arcs, applying the model proposed by Neil J. Smelser (2013). Smelser advocates the dynamic analysis of the elements that structure the university and higher education overall. To that end, the focus is on identifying and describing the structural elements borne out in systems of higher education so as to observe how they undergo changes with the passage of time. Such a methodology permits the description of an idiosyncratic institutional mechanism of the university. That is, an accretion (Metzger, 1987) that – through distinct structural mechanisms – allows units (department, faculties), universities and entire university systems to expand their functions without displacing what they already have, so that the units of analysis continuously expand (Smelser, 2013, p. 13).

In Smelser’s view, the origin of this process resides in the convergence of four structuring forces: a culture of growth that marshals the institutional impulse in a particular direction; the mutual opportunism of government (which holds that investment in higher education will resolve social problems) and of universities, always in search of new external subsidies; the power of academic competition and imitation, stemming from high stratification of prestige; and institutional inertia and university policy, which may only belatedly curtail redundant functions. Smelser (2013, p. 15) warns that this is a tendency consistently evident through the last two centuries of North American higher education. The fluctuations in public investment in the sector do not seem to impact upon its continuity, although the modes adopted during expansion and restricted growth are different. Under expansion, universities assume new functions (those that usually accompany new structures and the appearance of new groups), while in leaner times universities actively resist the elimination of functions that have lost centrality or importance in whatever way. Smelser (2013, p. 10) notes that sustained growth of higher education systems produces transformations that end up affecting the same structural conditions that permitted such expansion. At the same time, he warns that the expansive dynamics operate through a confluence of structural processes. Most obviously, the augmented size of the units or organizations, measured by the quantity of people who study or work in them. Insofar as universities grow, the number of programs that they offer multiplies through the segmentation of existing units. This is especially evident in the division of existing disciplines and the legitimization of new disciplinary areas (see Clark, 1996; Becher, 1989; and, in the Portuguese context, Neave & Amaral, 2009).

Enrollment growth and the multiplication of the number of programs bring to light the need to increase efficiency levels within systems, institutions and units. Such demand lends pressure for greater differentiation and specialization. Perhaps the most visible effect of this process is the growth of ever more specialized higher education institutions (in one or more disciplines, or in one or more of the functions traditionally associated with the university). In this context, the growth in the function of existing structures – or accretion – would be another structural process associated with the proliferation of new functions in higher education. Finally, Smelser identifies that all of these transformations have mounting effect on the coordination of higher education systems³. This continues to

² The state universities along with almost all private universities that existed in some form before 1981 and now receive direct state subsidies – these universities alone have representation in the Council of Rectors (CRUCH) that predated the proliferation of institutions. For further discussion, see p. 8.
³ Higher education systems are integrated and ordered through a range of coordination mechanisms (Clark, 1983, p. 136). Whether planned or spontaneous, such coordination assumes two basic modalities; the exercise of authority and exchange. The former is associated with the legitimate power conferred upon different groups
adjust to a growing complexity that produces changes in system scale, progressively reconfiguring the structural elements that condition them and the relations that organize them. For present purposes, a more complex system needs to be coordinated through new bureaucratic structures and policy instruments, better knowledge and greater financial resources (Smelser, 2013, p. 12).

Various studies (among others, see Bernasconi & Rojas, 2004; Brunner 1986; Brunner & Briones, 1992) have described the changes Chilean higher education has experienced with regard to the 1981 reform. These document many of the transformations that it has suffered as it expands progressively and that confirm several of Smelser’s hypotheses, especially those related to the widening and growing complexity of the system, its functional multiplicity and growing specialization. The coordination of the sector and its internal variance, however, have not received similar scrutiny in the literature.

**The Chilean Trajectory (since 1981)**

The direction that Chilean university education\(^4\) has taken since the reform of 1981 seems more or less evident. On the one hand, the institutions that comprise the sector have grown sustainedly in the effort to accommodate a broad demand for higher studies. On the other, much of that growth is concentrated in the new private university sector, which gained autonomy from the end of the 90s. In part, this has been possible because some of these organizations assume a distinctive role—demand absorption (Levy, 2006)—which gives them a particular (albeit controversial) character in Chilean higher education. As Trow (1974) has suggested of the industrialized countries, the transition from an elite-only system to a mass one not only visits changes of size and scale, but also accounts for transformation in institutional diversity, in university to take part in governing the system. Such authority can be political, bureaucratic or professional (academic), according to the source of its legitimacy and the way in which it is exercised. Others operate through specific mechanisms that, at the same time, allow actions from interest groups that aspire to maintain and expand their influence over the sector (Clark, 1983, p. 145). Political and bureaucratic authority is exercised by government, while the professional associated with decision-making capacity is conferred to leading academics who participate in commissions or agencies that possess normative power over some aspect of education. Naturally, all of the forms of authority are exercised simultaneously, although the importance of each of them varies from system to system, and so too the effects of their arrangement, as a result of historical factors and context. In contrast, exchange (including cooperation) operates through markets and competition without need of a specific normative structure. Nevertheless, it is important to bear in mind that markets are frequently created, simulated or instrumentalized by governments in order to regulate the functioning of the systems from a distance. This is possible because the markets are strongly modelled through state subsidies, and the prestige that universities possess and the professional credentials that they provide (Clark, 1983, p. 170).

\(^4\) The following analysis considers the sector composed of the officially recognized universities in Chile. It is excluded, as such, technical and vocational education offered by professional institutes and centers of technical training. Although, to some extent, these compete with the university sector (some universities offer programs of that type, while various professional institutes impart professional degrees), their distinct status ensures that such competition is often more superficial than real. For all that, it is important to note that the impossibility of isolating the finances concentrated in exclusively university-level programs due to the public information available means that the analysis of this variable involves university financing as a whole. Therefore, occasionally, *higher education* is evoked, including non-university education (vocational and technical). Statistical information included in this section (about the evolution of public investment, enrollment and number and type of providers) is supported solely in the conventional sources of the Ministry of Education and its System of Higher education information (Sistema de Información de la Educación Superior, or SIES) (Rolando, Salamanca & Aliaga, 2010; Silva et al., 2012; SIES, 2014).
governance (including the distribution of power), in the administration of teaching and research, in student access and selection, in academic standards, in the curriculum, in forms of teaching, and in attitudes around entry into undergraduate studies.

In the Chilean case, various studies developed over the last 25 years have documented that sustained enrollment growth (Bernasconi & Rojas, 2004; Rolando, Salamanca & Aliaga, 2010; Salamanca, 2014), diversification of the student body (Espinoza & González, 2004; Mena & Rojas, 2005; Zapata, 2013), and the multiplicity of the student base (Bernasconi, 2006; Torres & Zenteno, 2011; Muñoz & Blanco, 2013; Reyes & Rosso, 2013; Améstica, Gaete & Llinas-Audet, 2014) have had significant effects on the financing regime (Desormeaux & Koljatic, 1990; Paredes, 2015; Rodríguez, et al., 2010), on regulation (Cancino & Schmal, 2014; Lemaitre, 2004; Salazar, 2013), and on public policy (Brunner, 1986, 2009; Brunner & Briones, 1992; Canales, de los Ríos & Letelier, 2008; Fernández, 2015; Salazar & Leihy, 2013). Other analyses expound upon the reconfiguration of academic functions with respect to the transformation of the academic profession (Bernasconi, 2003, 2008; Berrios, 2015) and the growth and diversification of scientific productivity (Holm-Nielsen & Agapitova, 2002; Salas, 2011). All this, redolent of the elevated “privatism” observed in Chilean higher education in comparative view (Brunner, 2009, p. 338).

Brunner (2009:305) is one of few authors to have undertaken study of the reconfiguration of the coordination of the system locally. His methodological orientation, however, has differed from that suggested by Smelser (2013). Instead of observing the changes that system coordination is suffering as a set of structural mechanisms in the process higher education expansion, Brunner, rather, focuses on changes of emphasis experienced at aggregate level, using an analytical model that suggests Clark’s triangle of coordination. This allows him to situate the main action of sector coordination, successively, in the ambit of academic oligarchies, the state and markets. Such a methodology, developed by Burton Clark, has been subject to important criticisms in recent times. As Simon Marginson suggests (2014, p. 11), “Clark formulated his theory before the complete development of neoliberal models of governance, in which the state constitutes quasi-markets as mechanisms for assigning resources, but also as mechanisms of control, of legitimization and for performance management.” If governments can simulate market conditions in order to force universities to compete and, in that way, regulate their operation through incentives and disincentives, the independence of the market blurs into a regulatory force of the system. As a consequence, the overlaying of “state” and “market” reconfigures the triangle beyond recognition. Structured as a continuum between two poles – the state and academic oligarchies, being the forces that still retain the capacity to impact independently upon the operation of providers of tertiary education – Clark’s model loses much of the analytical depth that allowed this ingenious simplification to attain a resounding centrality in higher education studies in recent decades.

Alternatively, one can lend attention to the evolution of quality regulation regimes and the determining and distribution of public financing in the coordination of university education. These articulate the growing authority assigned to processes of external evaluation with the greater importance of the distribution and magnitude of state subsidy in the sector’s operation. The analysis allows witnessing that such coordination evolves through three cycles or phases clearly differentiated. One is associated with the implementation and maturing of two parallel regimes; one for the “traditional” universities with representation in the Council of Rectors (Consejo de Rectores de Universidades Chilenas, or CRUCH) – those predating 1981 as universities, parts of universities or
teaching colleges — and another for the new universities). Both appear in full operation from the middle of the 1980s. Such a strategy allows the government to split sector dialogue, aiding public policy management. This differentiation held up until the middle of the next decade, when the new private universities undergoing a regime of initial supervision are freed from it, securing their autonomy. In this second cycle, the consolidation of a market in undergraduate studies allows convergence of the traditional universities and the new. During the following decade, governments will successfully introduce new elements of regulation that rely on the competitive conditions that exist in the system. The financing of the new regime, up until 2005, marks the beginning of the third cycle of sector coordination, characterized by a significant expansion of public financing and its increased channeling towards non-CRUCH universities. Doubts about the effectiveness of these mechanisms and a political and sector climate that appears to move towards ideological confrontation, prompts the possibility of reorienting government action, which would end up affecting sector coordination at the end of the third stage of this analysis.

Such transformations are observable through aggregate data. Table 1 shows the evolution of total enrollment. At whole-system level, growth of 612% appears during the past 35 years. Apart from being concentrated in the professional institutes (providing qualifications below degree level) and the new private universities, this growth is most marked in the period 2000-2015. In contrast, the traditional universities (grouped within CRUCH) have grown more the 297% in the same period. In 1985 they had represented 56% of total enrollment, but in 2015 made up little more than 27% of the student population.

Table 1
Total enrollment (by type of institution)

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</thead>
<tbody>
<tr>
<td>Technical training centers</td>
<td>50.425</td>
<td>77.774</td>
<td>72.735</td>
<td>52.643</td>
<td>63.176</td>
<td>128.571</td>
<td>146.521</td>
</tr>
<tr>
<td>Professional institutes</td>
<td>24.152</td>
<td>40.006</td>
<td>40.980</td>
<td>80.593</td>
<td>114.680</td>
<td>224.339</td>
<td>378.802</td>
</tr>
<tr>
<td>CRUCH universities</td>
<td>113.128</td>
<td>112.193</td>
<td>161.850</td>
<td>215.284</td>
<td>247.969</td>
<td>310.890</td>
<td>336.336</td>
</tr>
<tr>
<td>New private universities</td>
<td>4.951</td>
<td>19.509</td>
<td>69.377</td>
<td>103.805</td>
<td>193.177</td>
<td>323.843</td>
<td>371.132</td>
</tr>
<tr>
<td>Academies</td>
<td>8.484</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>201.140</td>
<td>249.482</td>
<td>344.942</td>
<td>452.325</td>
<td>619.002</td>
<td>987.643</td>
<td>1.232.791</td>
</tr>
</tbody>
</table>

5 A sole exclusion being Universidad Adolfo Ibáñez, which arose mid last century as a business school attached successively to the Universidad Católica de Valparaíso and the Universidad Técnica Fédérico Santa María but is considered a ‘new’ private university anyway.


7 The institutional format of the ‘higher academy of pedagogical sciences’ (centered on initial teacher training) foundered, and the two existing academies (Valparaíso and Santiago) became the Universidad de Playa Ancha and Universidad Metropolitana de Ciencias de la Educación, respectively (see Brunner, 1986, p. 74), both state institutions.
Total enrollment distribution is clumped, fundamentally, at undergraduate level. While having decidedly grown over the current decade, graduate diploma and higher degree postgraduate studies in 2015 barely amounted to 5.44% of students (from 4.8% in 2010). In brute terms, enrollments have gone from 47,479 to 67,137 over the past five years. One particular characteristic of the Chilean case is that such enrollment expansion is not correlated with enhancement of the institutional base. Much as the 1981 reform aimed at diversifying and privatizing higher education, the creation of new providers of higher education developed between 1983 and 1990, to ease down during the following years, as Table 2 shows.

Table 2
Officially recognized higher education institutions (by type of institution)

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<tbody>
<tr>
<td>Technical</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>training</td>
<td>111</td>
<td>161</td>
<td>127</td>
<td>116</td>
<td>73</td>
<td>71</td>
<td>54</td>
</tr>
<tr>
<td>centers</td>
<td></td>
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</tr>
<tr>
<td>Professional</td>
<td>23</td>
<td>81</td>
<td>73</td>
<td>60</td>
<td>47</td>
<td>44</td>
<td>43</td>
</tr>
<tr>
<td>institutes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CRUCH</td>
<td>18</td>
<td>20</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>universities</td>
<td></td>
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<tr>
<td>New private</td>
<td>3</td>
<td>40</td>
<td>45</td>
<td>39</td>
<td>38</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>universities</td>
<td></td>
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<tr>
<td>Academies</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>157</td>
<td>302</td>
<td>270</td>
<td>240</td>
<td>183</td>
<td>175</td>
<td>157</td>
</tr>
</tbody>
</table>

Since 1990, the number of new private universities would fall at a lower rate than the vocational training institutes, whose own numbers have stabilized over the last ten years. The number of traditional universities stabilizes in 1993, and remains the same in 2015. The development of new higher education organizations maintains a shared trajectory. Many providers begin as technical training centers. Then, they create professional institutes, later still to form universities. Rarely does this process imply the disappearance of institutions created, which already enjoy official state recognition. This trajectory has given rise to various groups of organizations, or holdings (apparently the commercial frankness of the term is softened as a loan word) that, although operating in unity through networks of campuses strewn though the country, formally they remain separate entities (Salazar, 2005).

The public financing of Chilean higher education has also experienced an important rise in recent decades. In 2011 currency, the budget that the state assigned to the sector has traversed from 129,355 million pesos to 768,528 million pesos, as Table 3 covers. It has tended to favor student aid over institutional support, through which governments address —implicitly or explicitly— the objective of enrollment expansion. Excluding resources destined to finance scientific investigation, monies financing institutions amounted to 208,273 million pesos, chiefly reaching CRUCH universities. This represents a lesser proportion of the resources distributed as scholarships and credits (which reach 615,460 million pesos). With the implementation of state-backed credit in 2006, new public universities are able to access a significant source of public financing.
Tabla 3

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</thead>
<tbody>
<tr>
<td>Direct fiscal support</td>
<td>81,634</td>
<td>113,045</td>
<td>133,203</td>
<td>141,568</td>
<td>159,054</td>
</tr>
<tr>
<td>Indirect fiscal support</td>
<td>25,530</td>
<td>25,689</td>
<td>22,848</td>
<td>22,086</td>
<td>21,896</td>
</tr>
<tr>
<td>Institutional development fund</td>
<td>-</td>
<td>30,112</td>
<td>27,373</td>
<td>28,789</td>
<td>27,323</td>
</tr>
<tr>
<td>Scholarships</td>
<td>-</td>
<td>-</td>
<td>22,377</td>
<td>34,021</td>
<td>141,472</td>
</tr>
<tr>
<td>State-backed student loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>286,574</td>
</tr>
<tr>
<td>Scholarship and development fund</td>
<td>-</td>
<td>48,242</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Credit solidarity fund</td>
<td>-</td>
<td>-</td>
<td>54,609</td>
<td>69,489</td>
<td>100,610</td>
</tr>
</tbody>
</table>

Beyond the general figures that describe—in aggregate terms—the evolution that Chilean higher education has experienced since the 1981 reform, it is possible to begin now retracing the three stages that span sector coordination, detailing the instruments of finance, access and supervision and external evaluation. Together with systemizing the evidence available, this allows a fleshing out of some main conclusions to round up the analysis.

Phase 1: The installation of a new model of coordination (from 1981 until the mid-1990s)

The reform of the national system introduced by the military government allowed a reconfiguration of the university system, dividing it into two separate sectors (the traditional and the new private). The relation between these two sectors fundamentally limits the possibilities of control—and, consequently, resource extraction—as some traditional universities wield with regard to evaluating the performance of students in the universities recently formed. At first, sector coordination is relatively straightforward. The majority of the new universities manifest low organizational complexity and their enrollment and number of programs offered are relatively small. This contrasts with the reality of the older universities, whose administrative and coordinatory structures were consolidated over various decades.

The traditional bloc corresponds to the group of institutions that emerge from the reorganization of the university system in 1981 and is grouped under the aegis of CRUCH. The current configuration of this thrust takes shape by 1993, with the addition to it of the private universities derived from the erstwhile regional seats of Pontificia Universidad Católica de Chile. The 25 providers that make up the group are coordinated through a combination of measures. On the one hand, through the shared admissions system administered by the Department of Evaluation, Measurement and Educational Registering (DEMRE) of the Universidad de Chile, by appointment of CRUCH. Through this is established the number of vacancies, entry requirements and cut-off scores (that is, on standardized tests) for applying. The selection of students is competitive and depends on the number of applications received by each program of study. In theory, undergraduate studies are financed through student fees, although in practice a system of student aid contributes significantly to system maintenance. Additionally, the government annually delivers direct financing to the

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8 With the exception of Villarica, which it still has.
9 Up to 1995, student aid included the Solidarity University Credit Fund, the beca (scholarship) established by law 19.123 (also known as the Beca Rettig, through the Truth and Reconciliation Commision, over which presided the lawyer Raúl Rettig between 1990 and 1991, and gave rise to a collection of reparation measures...
universities, through transferences feeding into general revenues, based on historical criteria levels, which evidently privileges the oldest universities. Overall, part of this financing is distributed in accordance with the selectivity and academic soundness reached by the universities through the following instruments: indirect fiscal support (based on the annual results obtained in the admissions test for new students) and the model of 5% direct fiscal support (through performance in a group of key indicators).

The coordination of the new private sector—whose formation was possible owing to the reform—is itself dual. On one side, it regulates the authorization of the new providers and submits them to a time-bound regime of supervision (first in the form of examination, then through licensing, although both modes still coexist). Although the creation of new programs is subject to prior evaluation, definition of the academic offerings and fees of each university remain delivered through competition (the main source of financing of these institutions is the families able to pay directly for the education of their children). For that reason, many of these universities vie to attract applicants who were not selected to those affiliated to CRUCH, thus placing these institutions in the category of demand absorption. Others, however, harbor ideological or religious projects that come, many times, to express an elitist orientation (Bernasconi, 2006). In all, from the beginning, both groups of new institutions come to expand opportunities for professional training, be they below the level of selectivity of the traditional universities or outside of the context of diversity in which the traditional sector operates. In matters of supervision, action is regulated through performance evaluations associated with licensing and through a burgeoning market in undergraduate studies whose underpinnings are rapidly consolidated owing to the existence of broad unsatisfied demand and families’ willingness and capacity to pay, especially within the middle classes (Salazar, 2013).

Once the new private universities get past the survival level, they begin to explore their potential for growth, not only in the numbers of students they can recruit but also the quantity and variety of programs that they can offer and, particular, the fees that they can charge. Such explorations will continue establishing the bases for the development of a market in undergraduate studies, in which this group of institutions will compete closely in order to improve their positioning and share of student enrollment, so as to secure the necessary resources to finance their expansion plans. The CRUCH universities, in contrast, tend to adjust to the resources assigned to them by the government, without paying much attention to the development of the new private sector. As Brunner describes (2009), during these years the new universities appear insignificant compared to the traditional sector, as much in enrollment as in the amount of resources they command.

**Phase 2: First steps towards a convergent sector coordination (from the mid-1990s to 2005)**

Driven by a persistent demand for fee-paying undergraduate studies, higher education participation follows a trajectory of growth accelerated during the next ten years. A significant part of this expansion is concentrated in the new private universities. To the extent that enrollment grows, programs offered are likewise multiplied. New administrative structures proliferate (vice rectories, directorates, faculties and schools). Some new providers also begin to differentiate themselves, through focusing on a few disciplinary areas, or having a marked orientation, religious or ideological, or because they are affiliated to some larger enterprise (Bernasconi, 2006). Other areas define part of their identity in terms of their territorial catchment, be that a specified geographical zone or through networks of national or georegional reach (Brunner & Uribe, 2007).

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for the victims of political violence in the period 1973-1990), and the Beca Mineduc (which became the Beca Bicentenario in 2004) (Silva et al., 2012, p. 135).

10 For a detailed analysis of this model, see Bernasconi & Rojas (2004).
The greater size and growing complexity of the system begins to pressure higher education coordination. University enrollment expands by almost 91% in the period 1995-2005 (Silva et al., 2012). Whereas in 1996 the proportion of enrollment was distributed as 70% for the CRUCH universities and the other 30% for the new private universities, such proportions shift through these years: in 2005 the traditional universities account for 56% of enrollment while the new privates reach almost 44%, representing growth of 50% in their proportional enrollment during the period.

Why did this happen? For one thing, traditional universities’ enrollment grows, but without compromising their selectivity (understood as notable downturns in the cut-off scores of their undergraduate programs) despite the existence of considerable differences between them, as much by region as institution. Demand that cannot be absorbed by their courses constitutes the bulk of the segment focused on by the new private universities. The group of older universities outside the traditional sector begins to achieve its autonomy in this phase, liberating them from the supervision scheme to which they were attached. This new freedom lets them reconfigure their academic offerings and organization without the need for prior authorizations or ex-post evaluation. The new capacity for self-regulation that they acquired allows them to better address the growing market of undergraduate studies. Their new regulatory status improves their ability to adjust to the changes in their operational context, which in turn enable the expansion of their training offerings, the multiplication of their places and the revision of their pricing policies in order to maximize income. Actors in other sectors of the economy began to observe with interest the robust trajectory of demand for university education, and local businesspeople and foreign business groups acquire entrée and control in the governing of some private universities. Despite being statutorily not for-profit, many develop juridical mechanisms and business models that allow the extraction of earnings without the government managing to caution or to intervene in a timely way in such cases. The private universities that remained under supervision participate in this commercial competition, although with a more limited capacity to respond: they are smaller, face certain management limitations (especially with reference to the widening of their training offerings), and enjoy lesser reputations by virtue of their lack of autonomy. The closure of some institutions under supervision during this period comes to reinforce this situation. Many aspire to be autonomous quickly in order to compete from equal conditions and to grow their involvement in the higher education segment itself growing most rapidly (professional education), so as to consolidate leading positions.

The prominence reached by these markets, understood as mechanisms of competition and collaboration, begins to influence the traditional sector. Although universities of greater prestige and standing carry on without giving much attention to the development of university markets, some state universities observe with curiosity the entrepreneurial model adopted by various new private universities. A rapid expansion yields the possibility to increase their flows of financial resources,

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11 Only Universidad Central and Universidad Diego Portales obtained their autonomy before 1995. The great majority of new private universities acquire their autonomy between 1995 and 2005 (Consejo Superior de Educación, 2006).

12 So happened with the universities Andrés Bello, Las Américas, Santo Tomás and UNIACC (Mönckeberg, 2007). The functioning of the regime of initial supervision—or licensing—and the closed competition for students disincentivize the creation of new providers. As such, the new actors in Chilean higher education plump for acquiring autonomous new private universities.

13 As occurred with the Universidad de Las Condes and the Universidad de Temuco. The number of institutions under supervision begins to diminish drastically from 1999, insofar as the existing universities achieve their autonomy or disappear (Consejo Superior de Educación, 2006). Few new institutions are created in the period, symptomatic of a competitive market beginning to develop effect entry barriers.

14 For reviews of the comparative literature about university markets, see Marginson (1997), Brunner & Uribe (2007) and Salazar (2013).
allowing them to invest in their development and to improve the remuneration of their academics. The state universities that possess weaker academic tradition\(^{15}\) and those that resent how the 1981 reform had caused a notable downgrading—in comparison with their peers—as opposed to the previous situation as regional campuses or colleges, begin to take concrete actions to expand their enrollment under the logic of growing the university market through the creation of new campuses and programs (Zapata et al., 2003)\(^{16}\). Overall, aside from this group of institutions, the traditional sector continued to be regulated through public financing and a shared system of admission for new students. This is particularly evident among the most consolidated and prestigious institutions, for which the growing development of the private universities outside of CRUCH did not pose a significant competitive pressure.

Nevertheless, the flow and distribution of public subsidy towards the sectors faced important changes during this period. In net terms, public investment in higher education doubles between 1990 and 2000, and is strongly concentrated in the traditional sector (Silva et al., 2012). The distribution of resources transferred also experiences marked variations. If in 1990 83% of the state subsidy was concentrated in direct support to the universities, by 2005 40% of it is dedicated to student aid (Silva et al., 2012). Most of all, this is explained by the proliferation of state scholarship programs and the introduction of changes in the functioning of university credit (now called ‘solidarity’ university credit).

The regulatory innovation represented by the MECESUP program (Improvement in Improvement of Higher Education Equity and Quality) channeled an important flow of additional resources into the sector (249 million US dollars between 1999 and 2003). This was developed with the financing and technical support of the World Bank. By way of a global strategy for the transformation of higher education, the program invests 123,000 million pesos in the traditional universities through its competitive fund (focused fundamentally on the development of infrastructure, equipment and academic upskilling), equivalent to 21% of the public subsidy to the sector for the period 1999-2003 (Ministerio de Educación, 1999; 2005).

The MECESUP program also facilitated the development of experimental accreditation processes (at program and institutional levels) in which the traditional universities participated head-to-head with autonomous new private institutions. This allows the existence, for the first time, of comparable evaluations of quality between these groups of institutions, whose results are public. Although it is probable that that solution responded to an emerging need—the growing competition between autonomous new private universities and traditional institutions demands a greater differentiation of prestige—it appears relatively clear that such a step is fundamental in order to generate the conditions of an integrated market in which both groups participate. The results of external evaluation exercises tend to confirm the hierarchies and status that the leaders of Chilean higher education recognize and that, naturally, place the new private universities below the traditional universities (Salazar, 2013). Nevertheless, the modest variations in prestige that these evaluations legitimate contribute to the progressive integration of sector competition. This is owing to the fact that the universities and accredited programs enhance their visibility and reputation, especially faced with those that are not subject to external evaluation, as initially occurred with some traditional universities. The rapid expansion of these processes anticipates the growing centrality that accreditation began to have in Chilean higher education coordination. Its capacity to generate a

\(^{15}\) Originally, the military government reform defined the future universities Arturo Prat and Los Lagos with the status of professional institutes. As fruit of the pressure placed on government, they acquire the character of state universities towards the end of the regime (Brunner, 2009).

\(^{16}\) This situation fundamentally affects the CRUCH universities that enjoy lesser prestige, as is consistently appreciable in available rankings.
“ranking” with respect to the performance and prestige of higher education institutions will have important consequences in the ordering of the sector, to the point that it has not been necessary to formalize this role.

Phase 3: Towards an integrated system of coordination, through the market (from 2005 to 2013)

If the second phase of sector coordination reflects a growing influence of the market, during the third phase it is possible to observe an acceleration of this tendency. Integration via the market, which has occurred in the previous phase through the deregulation of the sector, is now institutionalized by the State. So, meanwhile, an integration of sector coordination firms up and, guided by policy and public financing, is organized mainly around competition. This process is explained by the convergence of different factors. The impossibility of adjusting the legal framework of 1990 (in the period prior to 2005) progressively lessens the role of regulation in system coordination as the new private universities keep obtaining autonomy. To the extent that this phenomenon expands between 1998 and 2003, regulation begins to take place fundamentally through exchange. Continual enrollment expansion legitimizes the competitive practices of the universities – inside and outside of CRUCH – of which results are appreciable in the consolidation of a market for postgraduate studies towards the beginning of the new phase.

At the same time, new problems begin to arise, emerging as a result of the functioning of the model of coordination that operated during the previous cycle. Firstly, the new private universities warn that there exist limits to the ongoing expansion of enrollment rooted in students’ capacity to pay. Until 2005, university enrollment exceeds 440,000 students. Although the majority attend CRUCH universities, the number of students attending the new private universities grows rapidly (Silva et al., 2012, p. 34). Merely between 2000 and 2005, their number almost doubles, from little over 103,000 to 193,000. It was improbable, however, that this growth would be sustainable, without interposing a new financing policy. Although it appeared that the demand for education kept going strong, families’ capacity to pay for undergraduate fees diminished rapidly, limiting the possibility of continued system expansion.

Rapid enrollment growth presented a second problem: access of the autonomous new private universities to the student aid system is very limited. Up until 2005, this was concentrated in the CRUCH universities. Their students were the main beneficiaries of the great majority of state scholarship programs. The scale of the aid available made the comparison particularly tricky. In 2005 alone, the State transferred more than 350,000 million pesos to the sector in scholarships, which represented almost 10% of the public contribution to higher education (Benavente & Álvarez, 2012, p. 77). For its part, the solidarity credit fund distributed almost 69,000 million pesos among the traditional universities, benefiting more than 122,000 students and covering all or part of the cost of undergraduate studies that same year (Silva et al., 2012, p. 186). In contrast, the main financing system available for student aid beyond CRUCH was CORFO credits, on much less favorable terms than solidarity credit. In 2005, there were 26,443 individual extensions of credit to cover

18 With the exception of the Nuevo Milenio scholarship program (centered on technical and vocational education), the other state programs available in 2005 are directed towards the CRUCH universities, these scholarships being: Juan Gómez Millas, Rettig, teaching, “child of education professionals”, y Bicentenario. Their financing is made through annual budgetary statements (Silva et al., 2012, p. 135).
19 Corporación de Fomento de la Producción, originally concerned with supporting primary and secondary industry.
20 The main differences between both financing instruments are in relation to a higher credit rate and with the stringency of bona fides required of the students obtaining them (Sanfuentes, 2012).
undergraduate fees (Sanfuentes, 2012, p. 4). From the standpoint of the autonomous new private universities and their students, this was producing blatant discriminatory treatment, made all the more evident to the extent that these institutions had expanded, pressuring the government for a solution.

While not counting on a view that permitted it to establish long-term objectives for sector development (León y Peñafiel, 2014, p. 309), the government realizes that it had better find a solution to these problems in the short term. Supported by the World Bank, it opts to establish the neutrality of state action in student aid matters as a solution to widen coverage in higher education (Facultad de Economía y Negocios de la Universidad de Chile, 2006, p. 76). This implies junking the alternative option. Rather than try to channel system expansion efforts through the traditional CRUCH universities (which have a greater say over the financing regime applies to them), the government decides to develop open mechanisms for the distribution of student aid. Preferring to expand the markets through new regulatory demands, the government makes explicit its preference for the philosophy of the Evaluative State. This has an evident impact on sector coordination; apart from accelerated enrollment growth, and the number and type of training programs, the expansion comes to concentrate in the new private universities.

The government strategy considered four convergent actions. On one side, it created state-backed credit (Crédito con Aval de Estado, or CAE) in 2005, available to students of autonomous higher education institutions, whether or not pertaining to CRUCH (see Banco Mundial, 2011). This instrument allows the financial sector to grant credit to higher education students to cover undergraduate fees, based on a reference fee rate and fixed interest. The assigning of credit is realized in a centralized manner, through an autonomous state agency, strictly in accordance with the socioeconomic situation of the applicants (considerations of academic merit function as side conditions, whether to initiate the arrangement or renew it). Each credit is guaranteed by the university involved up until the student’s exit. Once exited, the state assumes the credit guarantee with banks that have been greenlit by the same state agency. Annually, the state defines the amount of resources it will guarantee, being, moreover, able to repurchase extended credit paying a surcharge.

Established also – as a restriction – is that only universities accredited by the national accreditation commission (Comisión Nacional de Acreditación, or CNA) will be eligible to participate, as part of the new system of quality assurance that came into effect in 2006 (Larraín & Zurita, 2008, p. 21). Through this incentive it is hoped that the great majority of autonomous providers will participate in external evaluations of quality, improving the accountability of higher education to Chilean society and the state.

Thirdly, the government agrees with CRUCH that the state will take charge of financing the most underprivileged students attending these universities –those whose families fall within the lowest three income quintiles– through the solidarity credit fund, using a reference fee level from 2006 (Facultad de Economía y Negocios de la Universidad de Chile, 2006, p. 75). This measure puts an end to the constant fee rises that have been detected in the sector during previous years, and what is more resolves the uncertainties associated with the assigning of scholarships in past periods.

From 2006, the state considerably enhances the resources assigned to the existing scholarships systems, moreover creating new benefits during the subsequent years (Benavente & Álvarez, 2012, p. 77). Whereas in 2005 the government earmarked 35,000 million pesos to state higher education scholarship programs (representing some 9.5% of the public resources assigned to the sector), for the following year it budgeted almost 47,000 million pesos (equivalent to 12.5% of public sector investment). Such expansion of the scholarships system will continue during the next year.

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22 The amount assigned to the fee scholarships is defined according to the same reference fee used by the solidarity fund.
years, reaching its zenith in 2009, when almost 141,000 million pesos are assigned to state scholarships (which represented 19.6% of sector resources). Likewise, it creates a new online platform in order to improve the management of applications and assignment and renewal of scholarships (Benavente & Álvarez, 2012, p. 48).

Complementing this, the MECESUP 2 program (rolled out between 2005-2011) allows its competitive fund (comprising a little more than 83 million dollars) to finance academic innovation programs. Such projects are adjudicated competitively and according to an equal opportunity principle, through a mechanism of technical external evaluation. In practice, this allows accredited private universities that do not form part of CRUCH to access these support funds towards the end of the period. In the previous version of the program (executed between 1999 and 2004) these resources had been reserved for the CRUCH universities (Ministerio de Educación, 2005, p. 23).

The impact of all of these measures in higher education coordination is notable. If before the system expanded based on families’ capacity to pay, now the public financing comes to be the engine that in a unified manner guides enrollment expansion and coverage in this phase. The first impact of these measures reflects in public investment in higher education. Whereas average annual growth in the period 2001-2005 was 4.8%, for 2006-2010 such annual expansion reached 18.4% (Silva et al., 2012, p. 108). The growth in fiscal subsidy develops a progressive logic. Then, following contraction in 2008, it grows 22.4% in 2009 and 46.1% in 2010. The majority of this growth is concentrated in scholarships (which grow 49.2% between 2008 and 2009) and in state-backed credit (which expands by 67.4% between 2008 and 2009, and 177.9% between 2009 and 2010) (Silva et al., 2012, p. 108). Come 2012, the public higher education budget was 915,000 million pesos.

New private universities’ access to various scholarship systems and, in particular, to state-backed credit, reconfigures the architecture of university education. With the number of universities remaining relatively stable, total enrollment goes from a little over 440,000 to almost 662,000 students, representing growth of 50% over the period 2005-2011 (Silva et al., 2012:34). While the total enrollment of CRUCH universities expands by 24.7% during the period, the new private universities experience growth of 82.4%. Where towards 2005 the proportion of university enrollment is distributed 56% for the CRUCH universities and 44% for the others, for the year 2011 these proportions have reversed; the CRUCH universities feature 46.7% of total enrollment while the new private universities corner 53.2% of student numbers. From 2010, the CRUCH universities serve a minority of the country’s university students (Silva et al., 2012, p. 34). This also is reflected in the composition of public expenditure in the sector. In the 2012 education budget, the support for autonomous new private universities grows 29.9%, while the support of CRUCH universities expands at less than half its previous rate (some 13.1%) (León & Peñafiel, 2014, p. 302).

The implementation of state-backed credit is, in good part, responsible for this transformation. While the number of beneficiaries of the solidarity credit fund contracts by 8% between 2004 and 2010 (Silva et al., 2012, p. 186), the quantities of resources invested and beneficiaries of state-backed credit multiply explosively. The number of beneficiaries goes from 21,000 to 213,000 between 2006 and 2010 (World Bank, 2011, p. 19). In five years, from 2006 to 2011, the amount of resources committed goes from 26,000 million pesos to more than 378,000 million pesos (León & Peñafiel, 2014, p. 292). Up to 2011, total resources invested in state-backed credit was 3.85 times the amount distributed through the solidarity fund. The distribution of beneficiaries of state-backed credit clearly shows the impact that this has in the expansion of the autonomous new private universities. In 2010, these comprise a little more than 108,000 students.

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23 In real terms, public investment in higher education scholarships grows some 267% between 2004 and 2010, although a little under half of this growth is concentrate in the Nuevo Milenio scholarships program (Benavente & Álvarez, 2012, p. 80).
The long journey

with state-backed credit. The CRUCH universities report, in contrast, a much lower number: 34,000 beneficiaries of state-backed credit in the same period (World Bank, 2011, p. 37).

The accelerated enrollment and public investment growth observed in this phase has important consequences for the reconfiguration of university sector coordination. Increasingly, the non-CRUCH universities gain in centrality through dominating expansion of the student body. From the perspective of the traditional universities, now they confront a radically new scenario: collectively, they come to form a minority of the university system. While they continue selecting the best students and enjoy a very significant percentage of research investment, they lose their hegemony within university education. For the first time in the history of Chilean higher education, they have come to be an actor—among various others—that must with the government negotiate the annual distribution of the public subsidy. Viewed from the government’s point of view, the CRUCH universities will not be a decisive factor in fulfilling the principal change formulated in public policy in 2005: to expand higher education enrollment, in order to reach a million students in 2012 (Ministerio de Educación, 2005, p. 10).

From the perspective of the autonomous new private universities, the scenario is also different to what they have faced throughout their history. Increasingly, they continue to be subordinated to state action and public policy. From now, they come to depend to a high degree on public subsidy in order to maintain levels of expansion that they reach in the period 2005-2010, and so to continue growing in the future. For them, regulation begins to have a role much more important in their concerns, to the extent that they start to be passive subjects of norms as to the control of public expenditure. The improvement projects assigned them by MECESUP (from 2011) imply that they remain subject to the direct supervision of the Ministry of Education in relation to the execution of these projects. The voluntary adscription of eight new private universities to the coordinated system of admission of CRUCH in 2011 can be seen as a further step towards a new scenario, in which state action and public policy begin to play a role more and more important in sector coordination, with the convergence between the traditional sector and the new become more evident.

Discussion

The Chilean experience shows that the process of expansion described by Smelser can seem affected by different factors. They appear to have the capacity to hasten or slow the expansive consequences associated with “growth by addition.” Some can be of a structural nature. This happened, for example, with the role that competition fulfilled in the articulation of the sector24. When enrollment expansion tends to concentrate in private institutions, two important consequences transpire. These institutions attract a greater proportion of the public resources destined to student aid which, the basic conditions for modern university teaching satisfied, often turn into resources free of strings for managers. In their view, strategies to maintain and expand sector participation through the market become the main game (Simburger, 2013; Wörner & Santander, 2012). Not only is the effectiveness of recruitment practices recognized, but also their overall impact: they influence the application decisions of a wider cohort of potential students, increasingly affecting the selectivity that had characterized the enrollment of many traditional universities. Various traditional universities, as a consequence, have progressively replicated these competitive strategies to secure their customary niches of applicants.

Likewise could be observed the evolution of other social structures, which condition the functioning of Chilean higher education, as happened with the elitist political process and the legitimization of a discourse about the modernization of higher education (see Salazar, 2013).
In this way, competition for new students comes to be a structural condition that enables the privatization of Chilean higher education. At the same time, this makes competition more intense for resources and reputation between universities, allowing rapid enrollment expansion as a result. Thus confirm the Ministry of Education data: while between 1983 and 1993 sector enrollment grew at an average annual rate of 4.3%, between 1993 and 2003 the rate was 6.8%, only to keep growing at rate of 7.6% in the period 2003-2013 (Rolando, Salamanca & Aliaga, 2010; SIES, 2014). It is certain that the speed of expansion begins to decrease in the most recent period, and that a significant part of this growth during the last decade is explained by the expansion of state financing for student aid, but it is difficult not to glimpse that the fastest enrollment growth also comes to bear upon the development of capacities in the universities to cope with competitive markets. That the majority of new applicants end up pursuing courses in non-traditional universities likewise is no surprise. In 2014, the number of seats and campuses that they maintain (111) and of programs that they impart (6,664) by far exceeds the traditional offering (45 seats and campuses that, together, offer 4,268 programs) (SIES, 2014).

This process of privatization is developed in interconnected phases. First, private providers multiply rapidly, owing to a grand unsatisfied demand and a broad capacity to be paid. Then, in the middle of getting their autonomy, they expand significantly their program offerings and their enrollment so as to secure their long-term sustainability, consolidating the basis of a competitive undergraduate market. The third phase of this process corresponds to the professionalization of university management, still incomplete25. To the extent that many universities find themselves in need of enhancing efficiency in order to maintain or expand their level of influence in the sector, they develop new policies, strategies and administration systems and incentive that, often, are inspired by commercial management models.

The Chilean case, then, allows illumination of the relationship that is produced between competition and privatization in a higher education system in expansion. Although it is difficult to calculate the growth that higher education could have had without resorting to a significant privatizing impetus (begun with the forming of private institutions, passing through the proliferation of their educational programs and ending with the importation of business management logic in the running of universities), it is more or less clear that system growth would have been more limited.

From another angle, the creation of independent public agencies has been a constant in the development of higher education policy in Chile, ever since the creation of CRUCH in 1954. Some agencies assign public financing on a competitive basis (CORFO and CONICYT), others supervise and evaluate the development of different groups of higher education institutions (CNA and CNED), and others still constitute forum of sector dialogue (CRUCH). Generally, they are created by law and their make-ups tend to be mixed; in them converge academics, institutional representatives and the government. Salazar (2013) has documented the influence that such autonomous public agencies have exercised over the evolution of quality assurance policies and the slant that these increasingly take after favoring the development of private higher education. After President Aylwin abandoned his agenda of revising the regulatory framework of higher education during the first half of the 90s, those that made up the higher council of education (Consejo Superior de Educación, or CSE) defined their mission as consisting of legitimizing the new private sector, and, through this, they elaborated a model of supervision for the new providers oriented specifically in this direction (Salazar, 2013, p. 141). The design of the new quality assurance framework (prepared by the national commission of undergraduate accreditation (Comisión Nacional de Acreditación de Pregrado, or CNAP) in 2002), outsourced the accreditation of undergraduate programs to private accreditation agencies. Moreover, beyond misgivings about the workload that the new framework would place on

25 Smelser (2013, p. 59) observes that this form of privatization amounts to the “corporatization” of the university.
the new national agencies, the members of this commission—which replicate, to a good extent, the leadership structure and membership that CSE had—saw as necessary a major decentralization of the sector (Salazar, 2013, p. 186).

These two examples are telling of the capacity of some actors situated in autonomous public agencies to impact upon the design and implementation of policies that have been pivotal in explaining the trajectory experienced by sector coordination. What explains this capacity for exercising a decisive influence over the configuration of policy? On one hand, the position of these actors to impact upon sector regulation has been solid. They have counted on free access to key members of the political coalition in government. Furthermore, their technical options have been aligned with the agenda to reform higher education pushed by important international agencies and so drawing on the sympathies of the teams in charge of the country’s economic policies. This combination of political and technical legitimacy ensures that their influence in sector policy be significant. In contrast, the traditional universities have had neither the will nor the ability to impact upon this modernization agenda. Ever since the recovery of democracy, the majority of them have leaned towards the firming up and legitimization of their agendas of institutional development, while pressuring the government to widen their own access to public financing.

Evidently, the study of sector coordination needs to incorporate all of these considerations in order to account for the social dynamics at play through the change suffered by the elements that structure the relations between universities, markets and governments.

Conclusions

The application of Smelser’s theory (2013) to the study of the coordination of Chilean higher education widens possibilities of analysis. Right away, it contributes to improving our understanding of the degree of transformation experienced by the sector since the 1981 reform, through the changes undergone by regulation and public and private financing (areas that also have been at the heart of reforms introduced at national level in various European Union countries during recent decades)26. Progressively, regulation and financing favor greater competition between universities—through (more, and better) students and academics, through research projects and scientific or technological innovation, through the amount and impact of their publications, through their accreditation results, and through projects of institutional strengthening or academic innovation—reinforcing the action of university markets, which increasingly distribute public money. Furthermore, this clarifies the effects of such changes in system operation, complementing the theories outlined in the evolution of sector policy and its impact on the makeup of the system of higher education. It also spotlights the existence of important divergences between the sector agendas communicated by governments and the concrete policy measures that they deploy, opening up new possibilities for enquiry. In the end, the study reveals two aspects of the Chilean experience that have rarely been discussed in the specialized literature and which are worthwhile pondering somewhat; the lack of maintenance of the instruments at work within a shifting context and the consistent alignment produced between the instruments used and the forthcoming results, not to mention the fluctuations of the sector agenda and the discourses that justify the introduction of such objectives and instruments.

The first suggests the importance of evaluating and periodically adjusting the instruments in operation, something that governments warn of but rarely confront. As in other climes, Chilean political culture favors the introduction of new policies that attack emerging problems in the hope

26 See Musselin & Teixeira (2014, p. 2).
that older problems gradually lose their prominence. Structural problems presented by the operation of licensing (Consejo Superior de Educación, 2006), the greater fiscal commitment that state-backed credit has entailed (León & Peñafiel, 2014; World Bank, 2011) and the falling efficiency of accreditation (Salazar, 2013:214) are examples of policies that, having had an important impact on the sector, have been producing very different results to those pursued with their introduction. The lack of maintenance is made more evident in a context of permanent transformation, in which the universities try to adopt a utilitarian attitude towards government; they adjust formally to the requirements made of them while some significant part of their operation remains outside of public scrutiny (Salazar & Leihy, 2014). While the government wants to project an agenda which retains significant elements of previous policies (such as the quality assurance system and state-backed credit) it is important to make a substantive revision of them in order to align objectives and results adequately.

A second point, at the same time, concerns a certain symmetry observed between the chosen mechanisms that are obtained from public action. To the extent that governments trust policy instruments that stimulate competition and reinforce the growing centrality of markets, the non-traditional universities progressively expand their operation, capturing a growing proportion of public financing. Obviously, the enrollment distribution is far from homogeneous within the two groups of institutions, with very different universities coexisting in both of them. Nevertheless, it is important to take note that total enrollment of the non-traditional universities surpasses that of their CRUCH counterparts from 2010 (SIES, 2014:58). This situation contrasts markedly with what was in evidence in 1990, when the traditional sector contained more than 80% of university enrollments (Rolando, Salamanca & Aliaga, 2010:8).

Government action is not the only cause of lesser growth experienced by the traditional sector in a period marked by constant expansion in public and private financing available to universities. In the view of the most prestigious institutions, their position is associated closely to their high selectivity. Thus, sustained enrollment expansion brings an unacceptable risk for them. Another group of traditional organizations was not equipped with tools and essential capacities to manage their growth, which resulted in fateful experiences that affected the stability of internal governance in some state universities (Zapata et al., 2003). A third group of universities—perhaps the most numerous—did not appear to have anticipated the possibilities that would open up (in the context of a system that continued growing through long periods) or did not appear to have achieved the necessary internal consensus demanded in beginning a systematic expansion process. It becomes, without doubt, compelling to observe the absence of a common plan or project shared by government and traditional universities for orderly and slow growth in the training offerings, perhaps the first option available when an administration aspires to undertake a sustained effort in this direction. In any case, such a project was unviable if the government aspired at the same time to expand enrollment while having this expansion financed with private expenditure (which implied, from the point of view of the traditional universities, submitting enrollment development to the uncertain capacity to pay of the applicants). Now that the public contribution to higher education goes on becoming the main source of financing in the sector, it is probable that an initiative of this type be viable if the government is still backing an expansion in participation.

What perspectives open up for the future of sector coordination? The rapid erosion that the legitimacy of the higher education modernization agenda has experienced – associated with the growing dysfunctionality of the main policy instruments in operation, in the context of a sector that has experienced severe structural transformations during recent decades – means that we find ourselves in transition towards a new phase of sector policy. From the government perspective, the option to maintain the status quo does not appear an easy alternative to sustain. It needs to show a certain proactiveness before other policy actors snatch away the educational agenda. It faces, through
this, the disjunction of either to complete the integration of the public and private in the sector or to favor the development of the traditional or, within that, the state sector.

The first option directs public policy towards a very deep privatization of higher education that, inevitably, places the government in position to lose control over the sector agenda, despite the significant financial commitment that the battery of instruments applied represent, including the new policy of fee-free education. Furthermore, it implies completing the integration of the financing and regulation systems, and advancing towards the forming of new sector forums where the government can engage with all of the actors in the system. Although it be the option closest to the status quo (since it assumes continuing the policy already underway) it is possible that this course of action faces important resistance from student organizations and the majority of the traditional universities.

The second option demands more work still. It presupposes the design of a new set of instruments which favor and facilitate the development of the traditional sector (or part of it), privileging public investment in those institutions. Possibly, this option demands advancing towards the formation of multi-campus systems that articulate the action of various organizations through explicit mechanisms of regulatory and financial coordination. What goals could the government pursue in this scenario? It may want to maintain the current rate of participation, compensating for the potential diminution of enrollment (in the non-CRUCH universities) through an equivalent expansion in offerings at traditional institutions. Moreover, it could seek to produce more and better local science, supporting the work of the traditional universities that want to widen or consolidate their research capacity through the strengthening of their technological base and the strategic multiplication of their best research teams. This option faces important obstacles. In the short term, it supposes that the traditional universities are inclined to expand their academic offerings significantly, which appears unlikely among the most prestigious universities: it presents a strategy that tends, necessarily, to affect their reputations negatively. The universities that do not participate in CRUCH will certainly use all of their political and social influence to block an agenda that puts their development at risk. Overall, it is worthwhile to keep in consideration that new studies suggest that it would be considerably cheaper for government to transfer student aid directly to the universities, instead of keeping on operating through the financial market according to the model imposed by state-backed credit (see Orellana & Sanhueza, 2016).

It is still difficult to tell whether the current government will take some of these options or whether, conversely, it will leave such a decision to the next administration. Most likely, without doubt, is that it will stick to repairing the policy instruments in operation particularly in matters of student aid, regulation of quality and competitive assignation of projects of improvement, development, innovation or research from different public funds. It is possible also that new mechanisms be introduced to monitor the operation of higher education providers, especially in issues of financial management. In all, it is very probable that these measures will serve to prefigure the taking one of the policies alternatives already in evidence today, since the same tools that have been intensively utilized during the last decade are still used, which have facilitated the regulatory convergence of the sector through competition. To bet instead on a substantive reconfiguration of such instruments appears a big call. Institutional accreditation, for example, is supported in a model of evaluation founded on self-regulation with emphasis on continuous improvement (Kells, 1992; Lemaitre, 2004). Making it obligatory implies revising its internal logical so as to replace mechanisms installed to collect and validate the information which informs the evaluative judgments of the national agency. Without these changes (that demand another evaluative technology that the country does not yet know), the consequences that are associated with accreditation decisions will intensify.
pressure on the universities to control more strictly the information that is delivered to external evaluation agencies. Greater pressure for outstanding results in accreditation also can end in undermining a system whose social legitimacy is still damaged through the cases of corruption detected in CNA, the national accreditation commission (Salazar, 2013).

From the point of view of the universities, options also appear limited. The traditional universities can pressure the government so that it opts to privilege their development, although it is possible that they themselves will try to quash that possibility. Evidently, the most prestigious universities will avoid submitting themselves to an agenda of transformations that –through including challenges highly ambitious or very short term– they cannot handle. Some traditional institutions, for their part, will try to privilege policy strategies and instruments that appear very compatible with their own roadmaps. In the case of the government opting to complete the public/private integration, the traditional would have to learn to live within an ethos ruled by competition, implying that they revise their systems of governance and administration. Many will shift from the collegial/bureaucratic model towards another more decidedly managerial one, weakening perhaps their own academic culture.

The universities that do not participate in CRUCH also face important challenges. Straight away, they will have to factor in that their greater dependence on public subsidy brings more accountability commitments. New bureaucratic controls and monitoring mechanisms will affect their management capacity, limiting their efficiency and capacity to respond to environmental changes, attributes that they hold in special esteem. Few non-traditional universities will be disposed to limit this form of autonomy and decision-making power. If, on the contrary, they face a scenario in which their access to the public subsidy is ended or severely limited, they will possibly have to reduce the scale of their operations or explore new private income sources.

After more than three decades of modernizing policy, Chilean higher education appears to approach a crisis of direction that will possibly give rise to a new organization of sector coordination. The two alternatives for facing it are, largely, incompatible. Whether the process of privatization deepens or the development of traditional sector is privileged, the agenda that the government adopts will have to break the principle of policy neutrality that prevailed during the third phase of this trajectory. The result could be an important reconfiguration of the morphology of universities in Chile.

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