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# **Chilean Educational Reform (2014-2018) and its Impact on Higher Education System<sup>1</sup>**

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### **Author's contribution**

*The sole author designed, analysed, interpreted and prepared the manuscript.*

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## **ABSTRACT**

During the second term of the President Michelle Bachelet (2014-2018), a transversal educational reform was carried out. To tertiary education its main purpose was to provide free tuition for higher education institutions (HEIs): Universities, Technical Training Centers (CFT) and Professional Institutes (IP). In that context, this paper analyzes the impact of this educational reform as it pertains to the Chilean system of higher education, with special focus on the implementation of free tuition as a new way to transfer resources from the State to HEIs.

The methods used is the documental analysis of different legal texts, as Acts and Budget Acts. They are analyzing to identify manifestations of governmental rationality, identifying the language-in-use or its performative dimension.

The analysis considers political variables and how they influenced the process. Its focus is to see legal and institutional changes along with public budget and the impact of HEIs enrolment. The results indicate that despite the significant transformations carried out in the sphere of higher education, the reform could not achieve a significant change in the relationship between the State and HEIs due to the political dispute that arose in the process, thus achieving mixed results.

Chilean higher education provides an interesting case study which can serve as reference for educational debates in other countries.

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## 1. INTRODUCTION

Chilean higher education had a significant milestone in its development during the last civic-military dictatorship (1973-1990) [1-6]. After a first stage of persecution and attack against universities, the dictatorship began a phase of neoliberal modernization in Chilean education allowing market operation within it.

With the recovery of democracy in 1990, that educational paradigm was maintained but introducing certain 'reinterpretations'. In 2011 however, massive student protests denounced the strong segregation and indebtedness that a market oriented education system was generating in the country. As a consequence of those movements, the second term of Michelle Bachelet [7] (2014-2018) promoted an educational reform at all levels. In this context, *this paper aim is to explore the impact of that reform in the higher education system had, with special focus on the implementation of free tuition as a central innovation at the tertiary educational level.*

To achieve this goal, after the introduction (I), this work has the following sections.

In the second section, the methodology section explains how this research is based on an analysis of certain documents through a method of discourse analysis. In addition, it describes a brief conceptual framework considering the classic contributions of Burton Clark [8], and contemporary reflections in the study of higher education [9,10]

Third, recent development in Chilean higher education is summarized. It began from reforms implemented under the last civic-military dictatorship (1973-1990). The aim is to set forth the historical context pertaining to the development of higher education in the country, considering the process of commodification within the educational system.

Research development is considered in the fourth section. It observes the process of educational reform and implementation of free tuition on higher education. For this, normative changes and public budgets as they concern enrolment evolution are analyzed. That show reform impact at the tertiary educational level.

In the final section, conclusions are presented as well as an approach regarding the current situation in order to understand the impact that the reform had on the functioning of the system, the distribution of the public budget and financing policies for students, as well as to elucidate future challenges for the development of Chilean higher education.

## 2. METHODOLOGY

The research is based on documental analysis of legal changes that enabled educational reform at the tertiary level, alongside budget evolution in accordance with the budget Acts discussed every year in the Chilean National Congress. Discussions about the educational reform as they played out in the public sphere are considered here as well, in order to see how political variables influenced the process.

These documents describe and design reforms. They are worked through the method of discourse analysis; they are understood as manifestations of a governmental rationality. These documents are Acts who created the reform in the tertiary educational level (see the Appendix). The focus is to see the language-in-use, that means to analyses how official documents could generate a transformation in the higher educational system, identifying the performative dimension of these Acts, and establishing the political context in which they were created.

In terms of framework, it could be said that higher education systems are composed of different HEIs. They are coordinated by rules, and those can tend towards an emphasis on State authority (or bureaucracy), market rules, an academic oligarchy or a mixed model between these positions, which creates a triangle of multiple combinations. This is the well known Clark's coordination triangle [8]. A panoramic view on recent higher education developments and their functions –that means teaching, search for knowledge, and service to society– have been pressured towards governance models based on market mechanisms in different countries [9].

In addition, according to de Boer and et al. [10], a model to observe the governance of higher education is the 'equalizer'. According to it, five dimensions must be addressed that function with

a relative level of independence between them. These are: "State regulation (traditional notion of top-down authority); stakeholder guidance (power delegated to guide to other actors); academic self-governance (the role of professional communities); managerial self-governance (hierarchies within universities as organizations); and competition (for scarce resources)" (p. 138-9).

### **3. RECENT HISTORY OF HIGHER EDUCATION DEVELOPMENT**

#### **3.1 Commodification of Education in Chile**

In the 20th century, the Chilean State evolved from a Keynesian logic towards a project to achieve a socialist system starting in 1970 under the Salvador Allende's government. This process was interrupted by a military coup, promoted by a privileged social class in Chile, with the support of the United States. The dictatorship did not pretend to stabilize the country nor did it return power to civilians after that. Instead they began a 'process of refounding society' [11].

The military acted according to the logic of the internal enemy, and universities were treated as such because Marxists –and all those who wanted to destroy the established order– were educated there [12]. Universities were intervened with rectors appointed by military and to many students, workers and academics arrested, tortured or murdered. 'Genocidal social practices' [13] were developed inside Chilean education system allowing deep reforms without opposition.

In 1980, the dictatorship began a State reform program called the 'Seven Modernizations'. Those proposals were elaborated by a group of economist educated in Chicago University under Milton Friedman's ideas [14]. Regarding the educational system the aim was to create a market competition between institutions as the main principle.

State universities were fragmented and their regional campuses became public autonomous universities [15,p. 335-6]. Afterwards the State eliminated an important part of universities financing, forcing them to self-finance. Universities were no longer tuition-free. Students needed to pay a fee and universities began to compete for the sake of increasing enrollments. Fees became the cornerstone of their budgets.

The dictatorship created a public loans system and students who could not pay would get into debt in order to continue their studies. It was aimed only for universities that existed before 1980 (and their derived institutions). In Addition, a competitive financing mechanism was created<sup>2</sup> to encourage universities to enroll students who attained the best grades in admission tests; and norms were established that banned internal democracy in universities [16].

This innovation was positively highlighted by the World Bank [17] because it represented one of the first public budget reforms in the world which conditioned transfer of public resources to HEIs according to performance results. Therefore, it was a good example of a 'quality-based' system.

At the same time, the creation of new HEIs was facilitated. Now these institutions would be classified according to titles granted according to three types: universities, professional institutes (IP) and technical training centers (CFT).

In short, the new design was aimed at creating a competitive market for higher education by encouraging the private sector to offer the service and diversifying their provision in terms of a hierarchy of educational certificates, at the same time that the training cost of human capital was transferred to their own beneficiaries [16].

The educational system began to be governed by 'market rules' and these policies were embodied in a new political Constitution and Acts that lasted beyond the end of the dictatorship. It was possible due to agreements reached that promoted a negotiated settlement and the establishment of a covenanted and supervised democracy.

#### **3.2 Transition to Democracy, Model's Consolidation and its Subsequent Crisis**

It is not until the return of democracy after 1990 that the privatization of higher education reaches its peak. Since the 80s, after a initial fall, enrollment in higher education began to grow again, recovering their pre-dictatorship levels of coverage just at the end of it. The difference however was in the distribution of enrollment according to institutions: If in 1973 State institutions had more than 65% of the total

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<sup>2</sup> Called Indirect Tax Contribution.

enrollment, in 1990 only new private HEIs –born after 1980– had more than 55% [18]. Despite that the dictatorship did not allow new institutions access to financial loans for students, they emerged quickly.

In 1990 the new government created a advisory commission (CEES) [19] with the aim to propose educational reforms at the higher level. This document was the main background in the 90s and early 2000s regarding new policies towards the higher education system. Under its view, higher education is a ‘quasi-market’. Therefore, the State’s role is to promote better quality within each HEIs through competitive and neutral financial policies aimed to different HEIs and their students. The State should avoid preferential treatment for some institutions and it should allow to market development.

In that way, in 2005 a new private loans system called Credit With State Guarantee (CAE for its Spanish initials) was created to universal access to HEIs. This allowed the most accelerated growth of higher education enrollment since the dictatorship, but with a focus on private institutions. According to the databases of the *Consejo Nacional de Educación*, [20] at the end of the decade in 2010 state institutions represented less than 15% of total enrollment.

Thus, in 2011 there were almost 1 million students enrolled in higher education (CNED). Nevertheless, system deregulation generated unfulfilled expectations: HEIs oftentimes offered careers without a work field and the value of student loans exceeded the future income. Many students were more impoverished after their passage through higher education. This accumulated into a deep discomfort and frustration that was expressed in a massive student movement that year. Students, with transversal societal support, requested the return to a free higher education system and that public education be strengthened. That implied changing the market paradigm and establishing education as a social right.

Mobilizations were a strong questioning of the reigning educational model and they showed an opportunity to perform structural changes to a highly privatized education system. In this way, when Michelle Bachelet won the country’s presidency again, she promoted a program of transformations, with the education system as a central point.

## 4. RESULT

### 4.1 Reform of the Higher Education System (2014-2018)

Educational reform on the tertiary level consisted of multiple changes that had as a central axis to return to a free tuition regime. In this results section, to understand their components, higher educational reforms are analyzed considering different dimensions and variables in the following sections: a) a description of educational contents according to governmental programs and its diagnosis b) the political discussion of the reform that took place in the National Congress and the Constitutional Court; c) the reform’s impact on the public budget for higher education, and its impact on tertiary enrolment, according to the student financing mechanisms; and finally d) an integral vision of the results, considering conceptual elements, are discussed.

### 4.2 Contents of Educational Reform

According to the government program, the commitment was to generate “necessary changes to the development model that the country has had” (*Programa de Gobierno de Michelle Bachelet 2014-2018*, 2013, p. 8) [7] and thus, to start a new political, economic and social cycle.

On the educational field, the reform would have four pillars: i) to strengthen the quality of educational institutions, ii) to combat segregation in education, iii) to promote inclusion through the establishment of universal free tuition in the system and iv) to put an end to profits in education.

This would entail the conception of an active State, not only concerning the system’s regulation, but also in the role of an active education provider at all levels. It implied a significant paradigm change with regards to the State’s relationship to the educational development of the last decades.

Specifically, in higher education, the government program (2013) said that:

- a) Achieve universal free tuition in six years (and a 70% enrollment population at the end of the government<sup>3</sup>).

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<sup>3</sup> In Chile, each government lasts 4 years.

- b) Give preferential treatment to State universities.
- c) Create two new public universities in the regions without them; and 15 public CFT, one in each region of the country, because all these institutions were private.
- d) Strengthen the State capacity for direction of the sector; creating a Higher Education Subsecretary and Superintendence with attributes in order to oversee HEIs operations.

The diagnostic was since reforms under the dictatorship, education had become a consumer good. Therefore, the demand for free education in the program was a demand for a regime change in order to understand education as a 'social right'.

According to Atria and Sanhueza [21], if we understand education as a process of transmitting knowledge from generation to generation, then this phenomenon cannot work under market rules. When education is a 'good', its distribution depends on the capacity to pay for it. If we understand education as a social right, only then is it possible "the university can be maintained as a space for critical and independent reflection" (p. 2). Therefore, to replace private finance by public funding is itself a move towards the recovery of a public regime, with focus on a critique of how knowledge is generated so as to stop understanding universities in terms of factories that churn out 'professionals' (p. 6).

The political process of educational reform implied discussion of several bills in the National Congress. It is important to note that Michelle Bachelet won the election with significant support<sup>4</sup> and her coalition obtained a parliamentary majority<sup>5</sup>.

Nevertheless for different reasons, the government gradually lost social and political support and each step of the reform was more difficult than the last. Although the National Congress could approve bills with the majority of their original content, each initiative had many opponents and the political negotiation process

submitted each bill to arduous discussion. The appendix shows the most important Acts for education reform considering in this research, with their general contents and the period of their legislative discussion.

### 4.3 The Political Confrontation around the Reform

As the reform implied changes at multiple educational levels –each of them with different stakeholders and incumbents– the government was faced with diverse political arguments during discussions. One of the first concerned the Inclusion Act (N° 20,845) aimed towards scholar system (primary and secondary). Within private schools with State support an important opposition arose regarding the reform's content. Such opposition was subsequently adopted, channeled and promoted by political parties from the right-wing.

The focus of critique was the end of a meritocratic vision and a move towards the promotion of inclusive politics. Thus a political-social scenario was generated where some families from the middle class viewed this development of inclusive politics as a danger to their social position, leading to this sector having carried out mobilizations for the right to pay for education. Although this discussion was about the school level but not higher education, it conditioned the development of the reform process in all levels.

In each subsequent bill the discussion had similar characteristics: While right-wing sectors denounced the nationalization of education and the end of educational freedom [23], left-wing sectors criticized the bills as insufficient reforms that gave continuity to the neoliberal model. As such different bills did not garner enough support, neither consensus, often they generated mobilizations against them.

At the level of higher education, the first bill sent to the National Congress was in May 6, 2014. It was about allowing the State to establish Provisional or Closing Administrators in those HEIs in crisis or deemed unfeasible (Act N° 20,800), because the reform process could generate system instability.

That same year two bills were delivered to the National Congress to create two new state universities (Act N° 20,834) and 15 state-level Technical Training Centers (Act N°20,910)

<sup>4</sup> At the ballot, she won against the right-wing candidate, Evelyn Matthei –Sebastián Piñera's successor– by 62.17% against 37.83%. Available at <https://historico.servel.cl>. [22]

<sup>5</sup> In the chamber of deputies, out of 120 seats, the New Majority coalition won 67. While in the Chamber of Senators, of the 20 seats in dispute, the ruling coalition got 12. Available at <https://historico.servel.cl>. [22]

following the government program. That was the first time in decades that new state HEIs were created, putting an end to previous trends allowing only the emergence of private HEIs. Finally on August 2014, a bill was sent to finish the prohibition of students and non-academic workers from participating in the HEIs governance (Act N°20,843), a policy established by the last dictatorship.

If we observe the discussion of the different bills, the reforms of the first year had further impetus than those that would follow. Despite it pretending to represent the social demands expressed in previous years, the reform did not have significant support from those actors who espoused them. This political isolation was accompanied by an economic and political crisis that affected the reform process.

For these reasons, the government took the decision to push free tuition by means of Yearly Budget Acts, but not through a general Act, due to the complexities that would arise during discussions. Thus in 2015 the budget Act for the next year (Act 20,882) contained the first tuition-free version aimed towards providing for 50% of the poorest students enrolled in some universities.

Nevertheless, it was rejected by the Constitutional Court. The Court composition was the result of a political process where both left and right-wing sectors kept balance. In the second year of government, a change within its composition tilted the balance in favor of the right-wing sector. That allowed to the opposition resort to the Court while in Congress elements contrary to their interests were being approved.

With regards to the 2016 Budget Act, according to the Court (2015), the State could not discriminate the type of HEIs that could be granted the benefit. As a consequence of that, the Government had to negotiate with right-wing parties. Finally, a new version of the free tuition policy was approved. It considered more institutions than originally planned, with profiles oriented towards profit-pursuit and with open-access systems. Such institutions could achieve an important portion of public resources to be delivered by the new policy. In 2017, in the next budget Act (N° 20,981) in order to avoid another litigation at the Constitutional Court, a new negotiation settlement between the Government and the right-wing allowed for the inclusion of CFT and IP in the terms proposed by the

Government. This however was in exchange to extend scholarships that were originally only destined to traditional universities, and now extended to all accredited HEIs.

It was only in 2016 when the discussion for the general higher education reform began (Act N° 20,981). It included the creation of a Subsecretary of Higher Education, at the same time proposals for a common enrollment system, mandatory accreditation, and free tuition for 60% of the poorest students, with a commitment to increase its coverage according to economic growth in the following years. That discussion lasted until the end of the government and implied several negotiations with the opposition and within the ruling coalition. Due to these negotiations, in 2017 a new bill (Act N°21,094) was sent with regards to state universities because they claimed the need for specific discussions about their conditions. Nevertheless, this bill also generated significant rejection from communities within state universities because it was considered an irruption into their autonomy. Therefore, the support for its development was not enough in relation to their expectations.

Another two bills concerning higher education were discussed as well. The first was about putting an end to Indirect Tax Contributions (Act N° 21,072), a public support created by the dictatorship and highlighted by the World Bank, that was considered unfair and unequal. The second, just a few days before the end of the government, a bill was drafted in order to push through significant reform of the CAE (In process, bulletin No. 11616-04), which would effectively remove the role of private banks in its administration. That bill did not gain the support of the new government and thus was not enacted.

In this way, the political process of educational reform, expressed in a series of bills that were transformed into Acts, was conditioned by the political and social isolation faced by the government, and the restrictions established by the Constitutional Court. This strengthened the positions of the right-wing sectors and prevented the reform from going deeper as a paradigm shift.

#### **4.4 The Evolution of Public Budget in Higher Education**

The implementation of free tuition was a gradual process. It began with the most vulnerable

students and continued thereafter to cover students from higher income sectors. Nevertheless during those years economic growth in the country began to decelerate, associated with a decrease in private investments and a fall in the copper's price<sup>6</sup>. While the average percentage of growth in the 2000-2013 period was 4.5% (including the decrease of -1.6% that occurred in 2009 due to the 'Subprime crisis'), it was only 1.73% for the period 2014-2017. Educational reform generated an increase in indebtedness at the domestic level. Because of that, the government decided to postpone its commitment to universal free tuition in higher education. Although the program said it would be achieved in six years, with the new economic scenario, at the end of the government there would be free only for students belonging to the 60% of the most vulnerable population, while the rest would be incorporated according to the prospect of future economic growth. In the meantime, they would continue to access to loans, scholarships or resort to self-finance.

In the first year of its implementation (2016, by budget Act N° 20,882), the free tuition was directed at students belonging to the most vulnerable 50% of the population, who studied in traditional universities<sup>7</sup> and some non-traditional private universities<sup>8</sup>. With the objective of retaining budgetary control by the State, the Act also establish a limit for enrollment growth capped at 2.7% per year. In case of being surpassed, it had to be with the authorization of the government.

In 2017 (Act N° 20,981) free tuition was allowed for entrance to non-profit CFT and IP. By 2018 (Act N° 21,054) the tuition-free policy was extended to the most vulnerable 60% of the population enrolled to the same type of institutions.

From 2015 to 2018 the public budget for higher education grew 46%. Table 1 indicates the evolution of main budget lines and the impact that the implementation of free tuition had. This policy allowed for a decrease in scholarships and public loans as part of budgets around the first years, but it was only during the last year that

private loans<sup>9</sup> declined, and yet it continued being a significant portion of the total budget in higher education.

According to data from the Comptroller General of the Republic [24], in 2017 35.9% of the total resources allocated for free tuition went to State universities, 25.8% to traditional private universities, 17.2% to IP, 12.9% to non-traditional private universities and 8.2% to CFT. Nevertheless, if we look at distribution institution-by-institution, the three most benefited were a private IP<sup>10</sup>, a private CFT<sup>11</sup> and a private university<sup>12</sup> which gained access to the policy thanks to the ruling of the Constitutional Court. Only in fourth place comes a public institutions, the *Universidad de Chile* with 6.2% of the total resources.

The data about the evolution of public spending on higher education, added to the Comptroller's report, show that the reform contents promoted implied a significant increase in the budget for higher education; a decrease in the budgets of scholarships and loans that were replaced by the free tuition policy; and a significant appropriation of those resources by private HEIs.

#### 4.5 Enrolment Evolution in Higher Education

In relation to the growth of enrolment in higher education, policies for free tuition arrived at a time of deceleration for the higher education enrolment. The coverage of higher education in Chile had already reached levels close to universality which made it more difficult to continue growing at higher rates. This corresponds to a process of population aging in Chile together with a fall in enrollments to primary and secondary education as well, despite they are mandatory.

Thus, if between 2009 and 2012 the enrollment increased by a rate of 10% approximately, following years will see lower rates, even with a slight decrease in 2017, as shown in Table 2.

In this way, the free tuition implementation was carried out during a period of stabilization of tertiary education coverage but not in an

<sup>6</sup> The main product exported by the country.

<sup>7</sup> Private and State universities that existed prior to the 1980's reforms and their derivatives.

<sup>8</sup> Institutes with accreditation, not controlled by for-profit entities and that had instances of democratic governance where students or workers participate.

<sup>9</sup> Although it is a private loan, it is guaranteed by the State. This is why an important part of the public budget goes to its financing.

<sup>10</sup> IP DUOC UC, with 10.2% of resources.

<sup>11</sup> CFT INACAP, with 6.4% of resources.

<sup>12</sup> Universidad Autónoma, 6.3%.

expansion phase. It implies that the new policy has replaced the financing instrument that students had rather than allow the entry of new enrolment.

In relation to the type of benefits that students have access to for study, free tuition has allowed for a fall in scholarships and financial loans since the first years of its implementation. Fig. 1 shows

that for 2018, 28.97% of total students enrolled in tertiary education were tuition-free. Although there is no available data concerning student access to financial loans for the year 2018, it can be seen that both this instrument and scholarships go down in indirect relation to free tuition. Thus, it is possible to see the rapid positioning that this policy had as financing instrument.

**Table 1. Main budget lines for higher education evolution (2015-2018) in MUS\$2018<sup>13</sup>**

Budget line	Description	Budget 2015	Budget 2016	Budget 2017	Budget 2018
Scholarships	Different scholarships provided by the State for higher institutions.	879,050	456,289	367,178	358,362
Private loan higher education	Created in 2005 and destined to all accredited higher institutions.	739,692	1,005,469	1,162,334	857,161
Direct Fiscal Contribution	Destined for higher institutions that existed before the 1980 reform (and their derivatives), named as 'traditional'.	356,301	356,301	364,925	364,925
Public loan higher education	Created in 1980 and destined for traditional higher institutions.	132,593	10,640	21,283	944
Indirect Fiscal Contribution	Distributed according to the enrollment of students who attained the best scores in admission tests.	42,019	21,009	0	0
Framework agreement	Support to development State universities.	58,301	76,700	92,525	95,247
Baseline funds for performance	Support for development of traditional private universities.	36,101	45,549	51,884	58,284
Free tuition	For State universities and private universities that fulfill requirements.	0	771,198	1,196,698	1,548,568
<b>Total Budget</b>	All budget lines considered.	<b>2,244,056</b>	<b>2,743,156</b>	<b>3,256,828</b>	<b>3,283,491</b>
<b>Budget growth</b>		-	<b>22%</b>	<b>45%</b>	<b>46%</b>

Source: own elaboration based on data from the Budget Directory. Available at [www.dipres.cl](http://www.dipres.cl) [25]

**Table 2. Evolution of enrolment in Higher Education in the last decade**

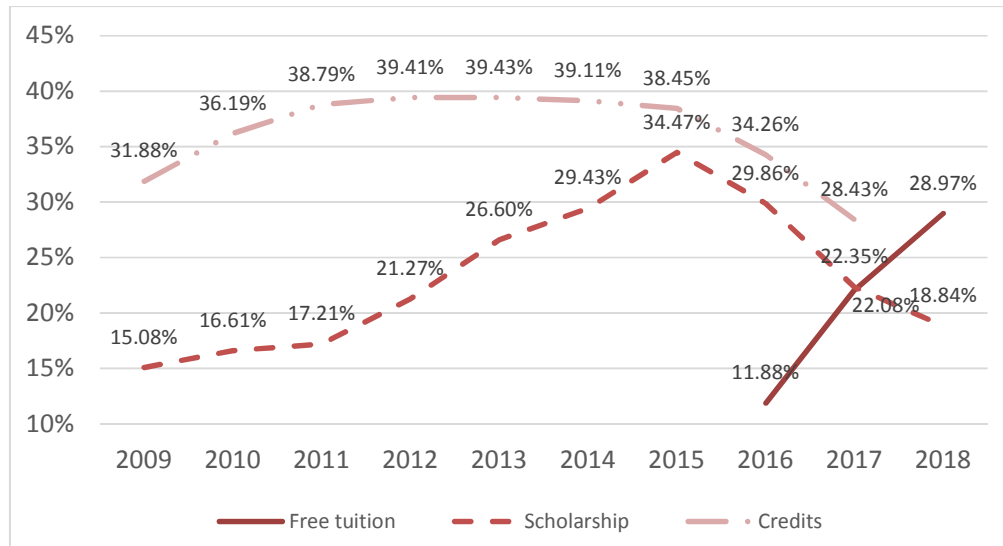
Year	2009	2010	2011	2012	2013
Number of students	816,578	903,059	990,024	1,035,267	1,080,669
Growth rate	-	11%	21%	27%	32%
Year	2014	2015	2016	2017	2018
Number of students	1,126,019	1,152,949	1,170,039	1,164,338	1,176,915
Growth rate	38%	41%	43%	43%	44%

Source: own elaboration based on data from the CNED<sup>14</sup>. Available at [www.cned.cl](http://www.cned.cl) [20]

<sup>13</sup> Original values were in Chilean pesos adjusted to 2018 and transferred to dollars, considering the average for 2018, estimated in \$641.21 Chilean pesos.

<sup>14</sup> Consejo Nacional de Educación.





**Fig. 1. Number of student with benefits**

Source: own elaboration based on data from CNEC and Beneficios Estudiantiles Educación Superior. Available at [www.cned.cl](http://www.cned.cl) and [www.portal.beneficiosestudiantiles.cl](http://www.portal.beneficiosestudiantiles.cl) [26]

## 5. DISCUSSION

The second term of Michelle Bachelet established as an aim to began a new political cycle. A new coalition pretended to go beyond the agreement reached at the end of the dictatorship and to promote a program of changes that included a new Constitution.

Due to the student movement that arose in 2011, education was a significant area for the government's initiative and its debate generated hard political controversy. Education was one of the three pillars of the government program and its discussion was always polemical.

Therefore, to see the impact of these reform on the higher education is possible to say:

We can see significant initiatives taking place in order to strengthen the State's capacity to directly to impart tertiary education. This was because the contents of the government program were explicit about giving 'preferential treatment' to State universities as pointed out by the Government Program.

To compare, this was in opposition to the neutral role assumed by the State with relationship to HEIs, according to the neoliberal policies of the 'advisory councils' that guided past reforms in previous decades [19,27]. Therefore, it can be said that the most successful policy was the

creation of two new State universities and 15 CFT around the country. At the end of the period it is possible to see a slight growth in enrolment to State universities at the tertiary level, which is a novelty of the recent developments in the higher education system.

However, there are other kinds of policies that can be considered as a continuation of older ones. For example, in the Higher Education Reform Act, the process of accreditation was established as mandatory for all HEIs, it implied this policy reached its top development after years of gradual implementation. Accreditation allows the State to give resources to different kinds of HEIs with a view that they should generate innovation and be efficient in order to reach State standards. However accreditation also works as a market mechanism that promotes competition between HEIs to improve their indicators and attract higher enrolment. Hence, the reform contents and their results exhibit tensions throughout different proposals that in the end generated mixed consequences.

At the center of this tension was the tuition-free policy. This policy was not present in different public proposals before 2011. Previous governments always preferred scholarships and loans as the way to finance access to higher education. They were conceived as a private investment for each student; therefore free tuition was not justified.

In the course of the investigation we were able to observe how the policy generated a decrease in the use of scholarships and loans within the public budget. Hence it has been successful in terms of becoming an important pillar for the financing to higher education. Nevertheless, the design of free tuition consisted in a transfer from the State to HEIs, conditioned on the terms that each student fulfill certain requirements to access said benefit. Thus it continues allowing competitive dynamics between HEIs so as to access this financing. Access which was deepened in light of the resolutions by the Constitutional Court that implied more HEIs could be covered by this policy.

Therefore, based on the equalizer model to observe the governance of a higher education system [10], we can describe the impact of this cycle of reforms as follows:

### **5.1 State Regulation**

The reform implied an increase in the capacity for state regulations. The quality accreditation policies become compulsory, a superintendency for the sector was created and the free tuition policy established limits to the growth in the enrollment of the HEIs. In any case, state regulation continues to rest on the same logic of guaranteeing equal treatment among all HEIs.

### **5.2 Stakeholder Guidance**

The role of stakeholders is also accentuated with the reform. The entire design of the state role is based on the creation of different external bodies with roles to guide the HEIs work. Furthermore, in the case of the state universities Act, the role of external actors in their governance is strengthened.

### **5.3 Academic Self Governance**

This dimension was not significantly altered in the reform process and stay low. The broad levels of autonomy that HEIs have in Chile do not necessarily imply empowered academic communities, with the exception of state universities, where a segment of academics participates in the election of university authorities.

### **5.4 Managerial Self-governance**

The capacity of the executive cadres was not an issue altered by the reforms either, and remains

at an average level. Depending on the statutes of each HEIs, the attributions of their executive cadres are defined, but in general they maintain high management capacities, balanced by the attributions of boards and external actors.

### **5.5 Competition**

Finally, the market's ability to exercise governance in the system remains high. The political process contributed to ensuring the increase in State regulations and the stakeholders role were not to the detriment of market rules, which continue to play a preponderant role in the system working. The main regulator of the Chilean higher education system is still competition the between HEIs.

These mixed consequences show that market operations are not in opposition to strengthening State capacity 'within the system'. Because public budgets keep competition between HEIs, it is possible to say that this reform could not achieve a paradigm change due to its own limitations, stemming from pressure by the right-wing sector to expand the different financial instruments to more HEIs. Despite its significant changes, the most important since the recovery of democracy.

A significant consequence of reforms promoted is the market is still playing a significant role in the governance of higher education. Therefore, the impact of educational reforms was not enough to start a new political cycle in the relationship between the State and HEIs in Chile.

The political process and the dispute in the Constitutional Court were relevant factors in limiting the reform. Thus, an interesting challenge will be to reflect in more detail the impact of this discussion on the phenomenon of the Social Outbreak that Chile faced since November 2019 and the influenced that the discussion on the educational system will have in the Constituent process that Chile will initiate.

## **6. CONCLUSION**

Political confrontations regarding the development of higher education in the context of these reforms were the result of two forces at play. On the one hand, reformist sectors argued their proposal under the notion that education should be conceived as a 'social right'. Therefore, the State should be responsible for its provision. On the other hand, conservative and

liberal sectors defended the idea of 'equal treatment' between HEIs and policies that promoted quality as the successful way to develop the country during the last years.

Nevertheless, to understand education as a social right was not a consensus within the ruling coalition. In addition, it was not clear how the State should to guarantee it. Thus, the reforms had no a clear vision that would allow them to expound a strong position in times of political confrontation. As a consequence, these proposals weakened as the government's term progressed.

At the same time, right-wing parties were employing different resources, such as their capacity to resort to the Constitutional Court in a way that strengthened their interests, which by the end managed to defend the current development model of higher education as it operated since the recovery of democracy.

In the end however, this failure to achieve a paradigm change of the educational system kept dissatisfaction with regards to the mode of Chilean educational development.

What may be interesting to point out regarding the Chilean case, which can be considered in other developing countries, is that promoting educational reforms in a context of strong market hegemony in its operation, requires majority coalitions convinced of the changes to promote.

Before the COVID-19 crisis, Chile was in the middle of a constitutional discussion due to the Social Uprising that forced the design of an institutional way to channel Chilean discontent and discomfort at the system. When this discussion returns, it will be necessary to develop proposals that could achieve an effective paradigm change in the educational field, replacing market governance within the educational system so as to represent social demands that claim new outlooks on how to understand and define the role of education.

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## COMPETING INTERESTS

Author has declared that no competing interests exist.

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APPENDIX

Table A1. Main acts concerning educational Reform

<b>Educational level</b>	<b>Name</b>	<b>Submitted</b>	<b>Approved</b>	<b>Description</b>
School	<i>Inclusion Act</i> (N° 20,845)	6/03/2014	5/20/2015	Creates a new system concerning student's admissions, eliminates co-payments that families had to contribute to schools and prohibits the for-profit operations in educational establishments that receive contributions from the State.
	<i>Provisional and Closing Administrator Act</i> (N° 20,800)	5/06/2014	1/06/2015	Grants authority to the State in order to appoint provisional or closing administrators in Higher Education Institutions undergoing situations of institutional instability.
	<i>Two New State Universities Act</i> (N° 20,834)	6/18/2014	6/02/2015	Created two new State universities in the last two regions (Aysén and O'Higgins) without public universities.
	<i>15 New CFT Act</i> (N°20,910)	12/09/2014	3/01/2016	Create 15 State Technical Training Centers, one for each region in the country.
	<i>Participation in Higher Education</i> (N°20,843)	8/05/2014	6/02/2015	Eliminated the prohibition blocking students and worker from participating in the governance of institutions of higher education and promotes the right to association.
Higher	<i>2016 Budget Act</i> (20,882)	9/30/2015	11/30/2015	Offered free tuition in higher education for 50% of the population with the lowest resources at both State and private universities that comply with certain requirements.
	<i>2017 Budget Act</i> (N° 20,981)	9/30/2016	11/30/2016	Offered free tuition in higher education for 50% of the population with the lowest resources at State and private universities, as well as non-profit Technical Training Centers that comply with certain requirements.
	<i>2018 Budget Act</i> (21,054)	9/30/2017	11/30/2017	Offered free tuition in higher education for 60% of the population with the lowest resources at State and private universities, as well as non-profit Technical Training Centers that comply with certain requirements.
	<i>Elimination of Indirect Tax Contribution Act</i> (21,072)	6/07/2017	1/24/2018	Eliminates the Indirect Tax Contribution aimed at institutions that received the students with the highest scores on university entrance exams and allocated those resources to direct contributions.

<b>Educational level</b>	<b>Name</b>	<b>Submitted</b>	<b>Approved</b>	<b>Description</b>
Higher	<i>Higher Education Reform Act (N° 20,981)</i>	7/05/2016	5/22/2018	Created the <i>Higher Education Subsecretary</i> , introduced a common enrollment system and made accreditation mandatory for all HEIs. Offered free tuition in higher education for 60% of the population with the lowest resources at State and private universities, as well as non-profit Technical Training Centers that comply with certain requirements, with a process for increase according to overall economic growth.
	<i>State Universities Act (N°21,094)</i>	7/13/2017	5/15/2018	Establishes the general principles concerning the role of State universities, dictates common rules for their governance and provides networks and resources for their strengthening.
	<i>Private Loan Higher Education Reform Act (In process, bulletin No. 11616-04)</i>	3/06/2018	Under discussion	Nationalizes the administration of credit for higher education by removing the role of private banking in them.

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