

# Department of Latin American Studies\TCLA

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On Chilean Culture and Society



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# Chile: State, Markets and Institutions in Higher Education

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# Presentation

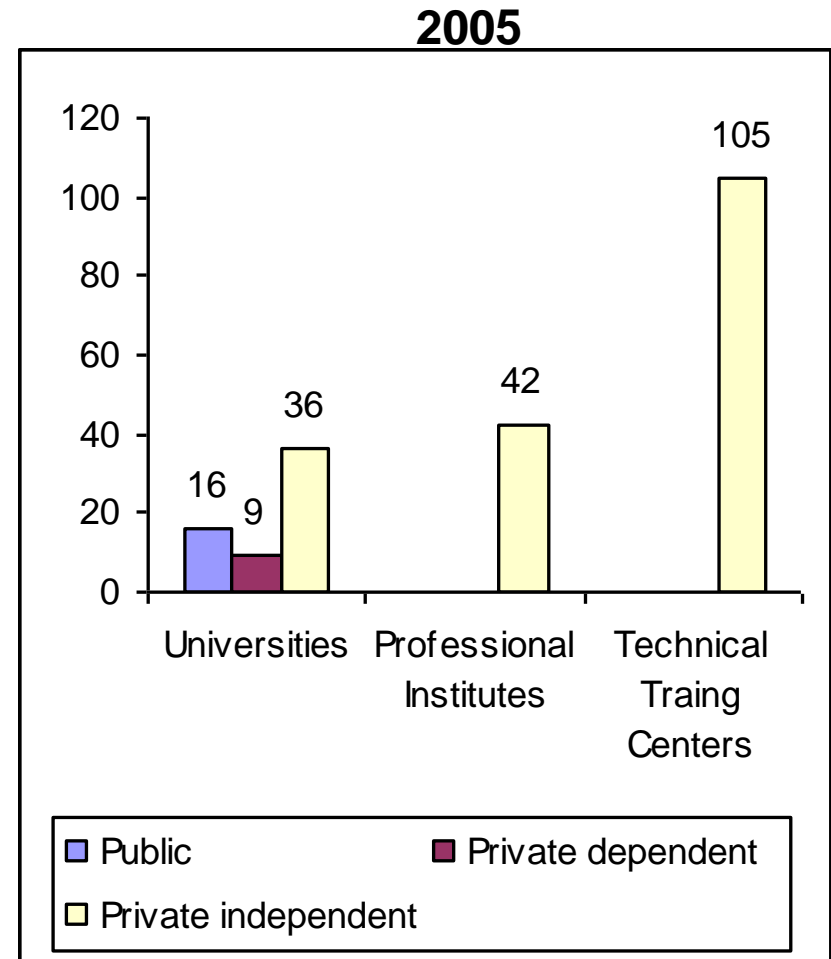
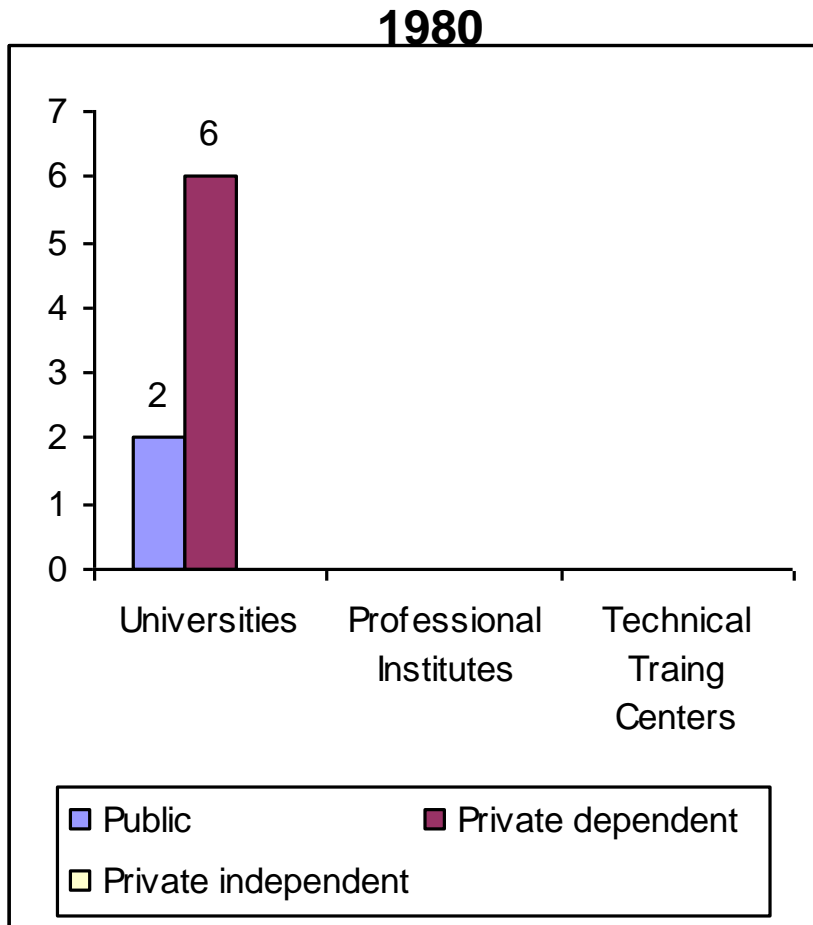
- Basic facts and trends
  - major changes during the last 25 years, and
  - most distinctive features in comparative perspective
- Performance and outcomes
  - provision of learning opportunities and equality or inequality in their social distribution
  - quality and efficiency of HE institutions
  - funding modalities and instruments
- Policy challenges



## **Basic facts and trends**

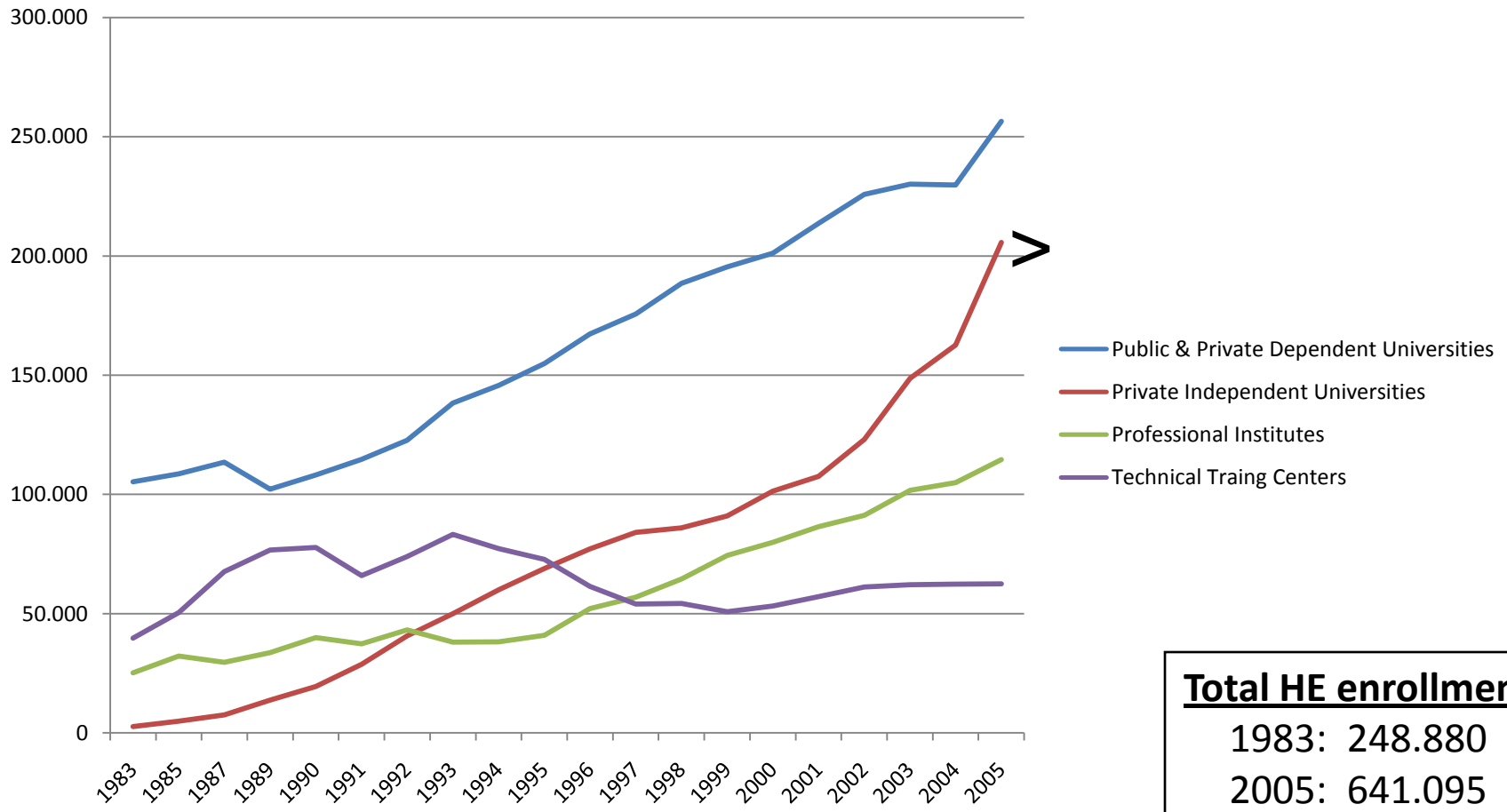
# Organization of HE provision: 1980 & 2005

Number of HE institutions by type of institutions



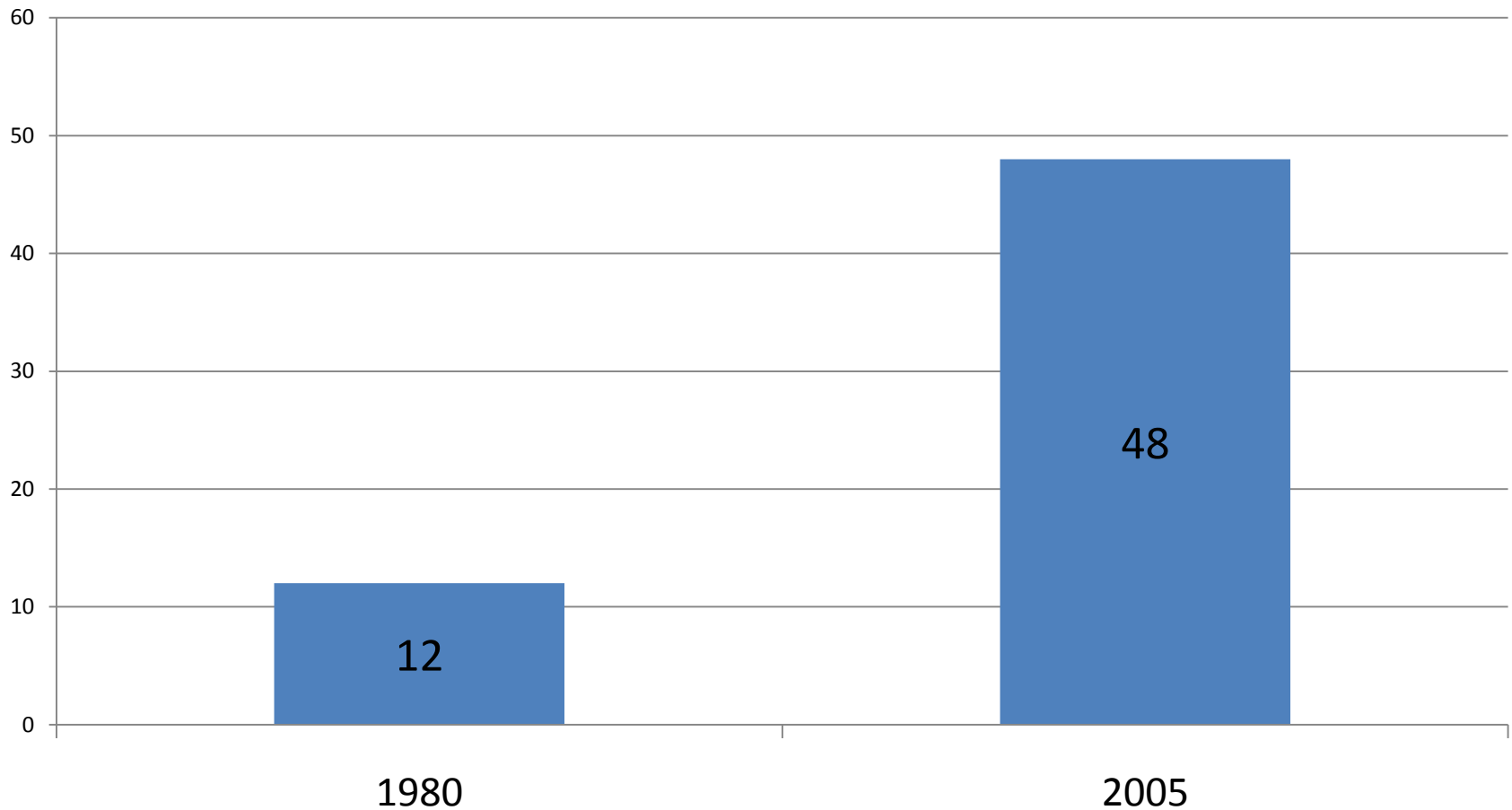
Source: Ministry of Education, 2007

# HE enrollment growth: 1983 - 2005



Source: Ministry of Education, 2007

# HE gross enrollment ratio (GER): 1980 & 2005

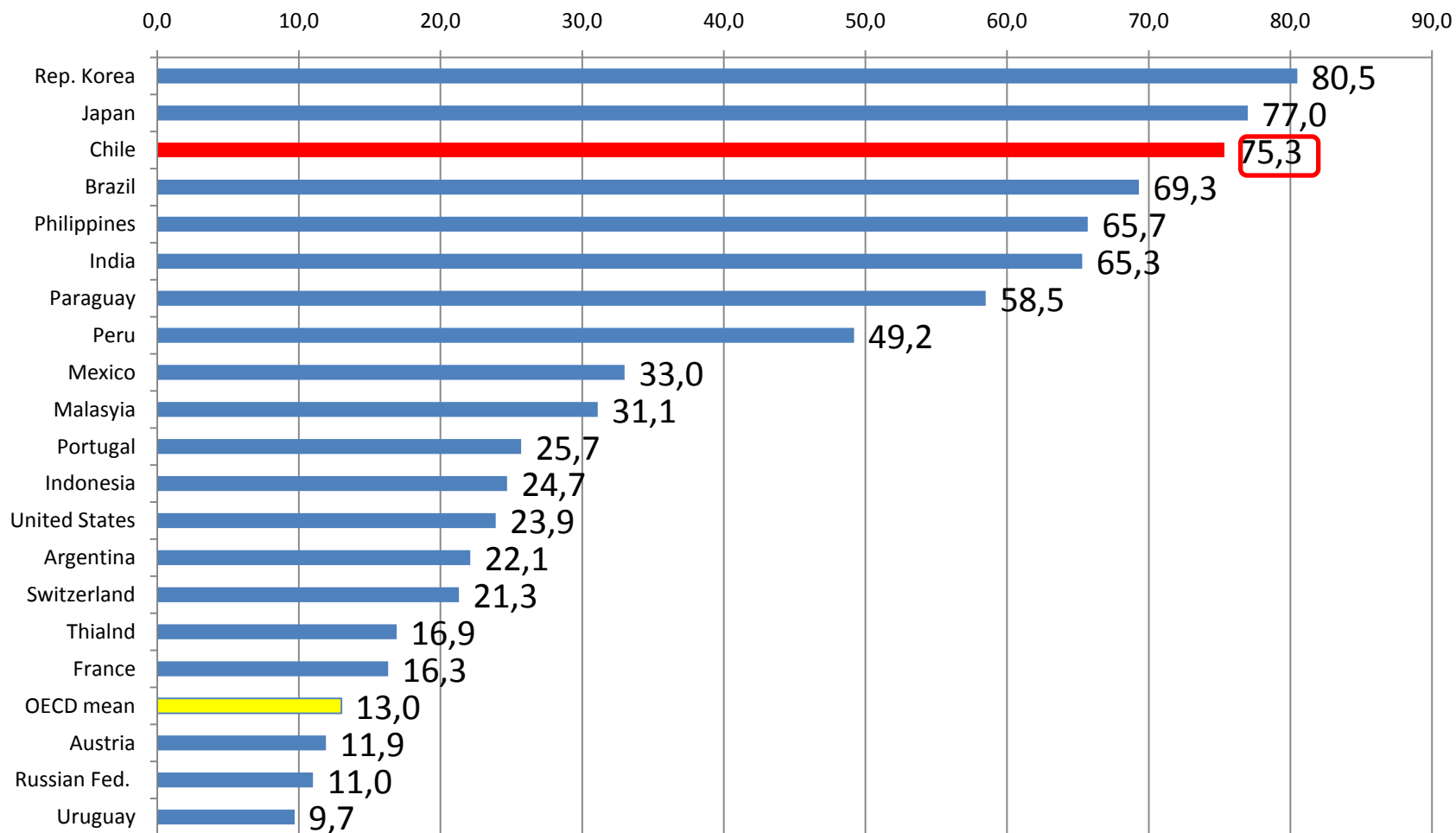


Source: UNESCO-UIS and The World Bank, World Development Indicators

# Changes from 1980 to 2005

1980	2005
Small, relatively homogenous system	Complex, heterogeneous system
HE for a minority (elite system)	Massive HE system
Low institutional and program differentiation	High institutional and program differentiation
No fees charge	All HEIs (public + private) charge cost recovering fees

# Enrollment in private HEIs\* (%)

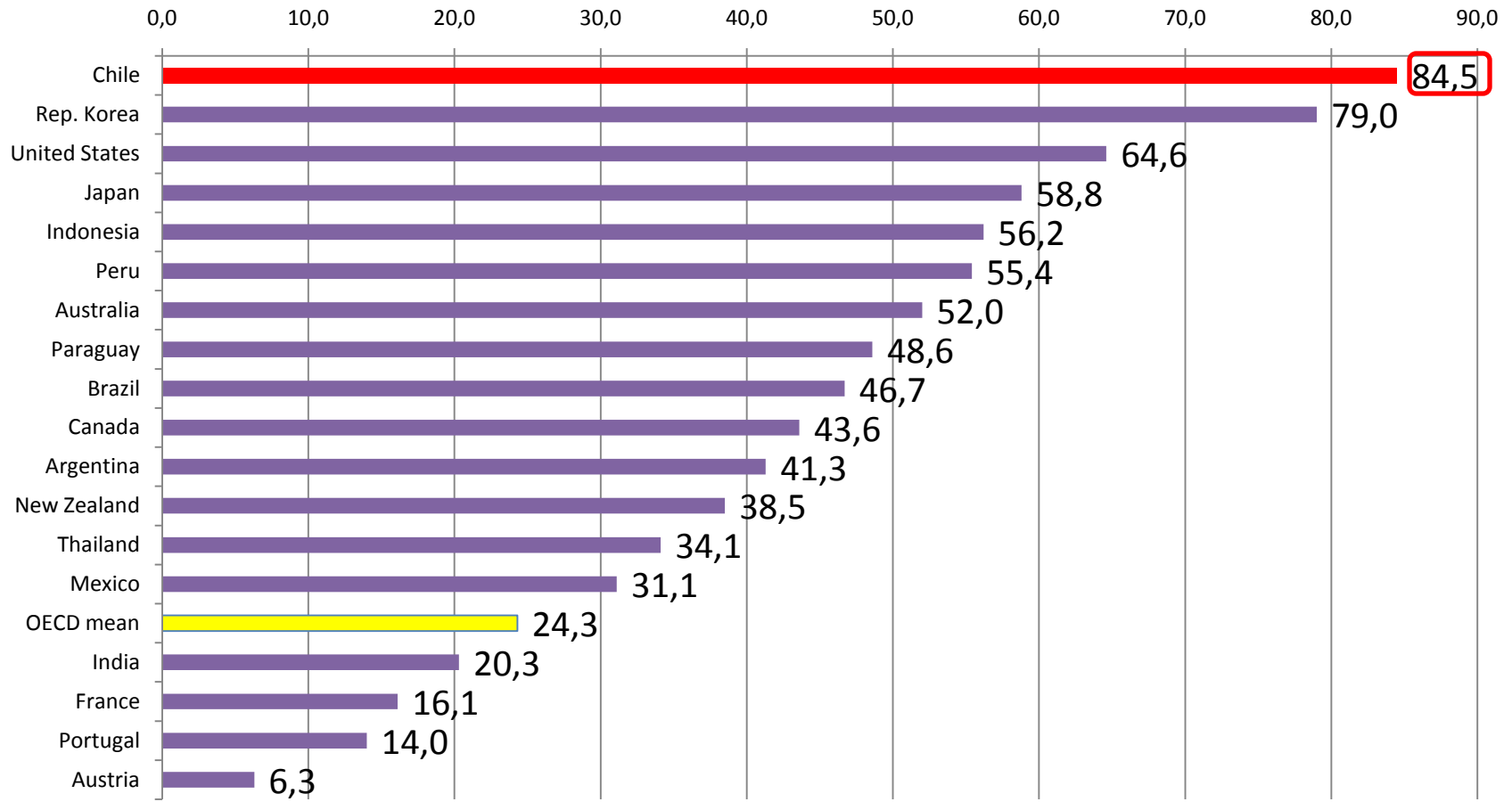


Source: UNESCO, World Education Indicators – 2006; OECD, Education at a Glance – 2007

\* Private dependent and private independent HEIs

# Private expenditure on HEIs

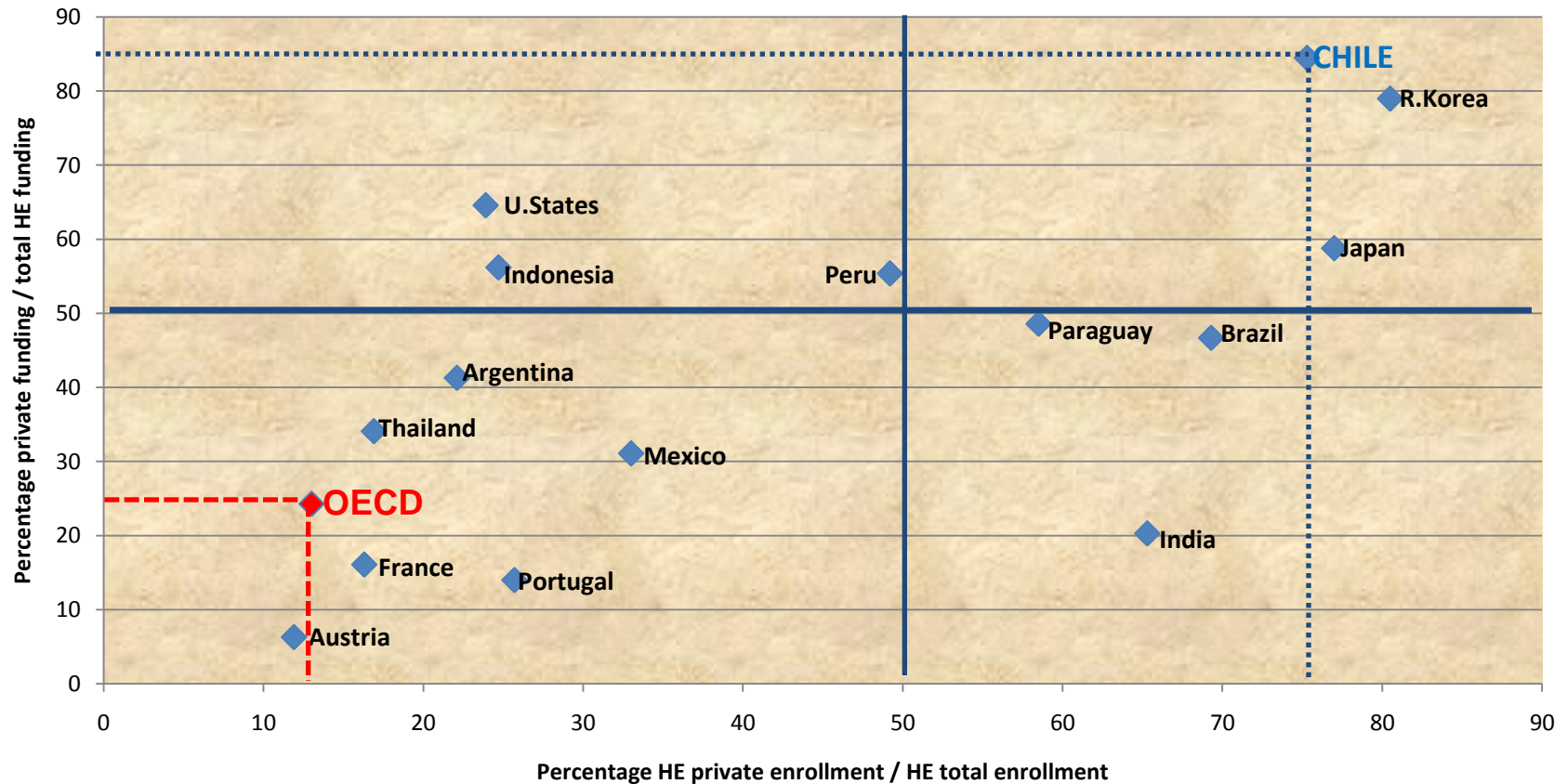
Relative proportion (%) of private expenditure on HEIs



Source: OECD, Education at a Glance 2007; UNESCO, World Education Indicators - 2006

# Political economy of HE systems

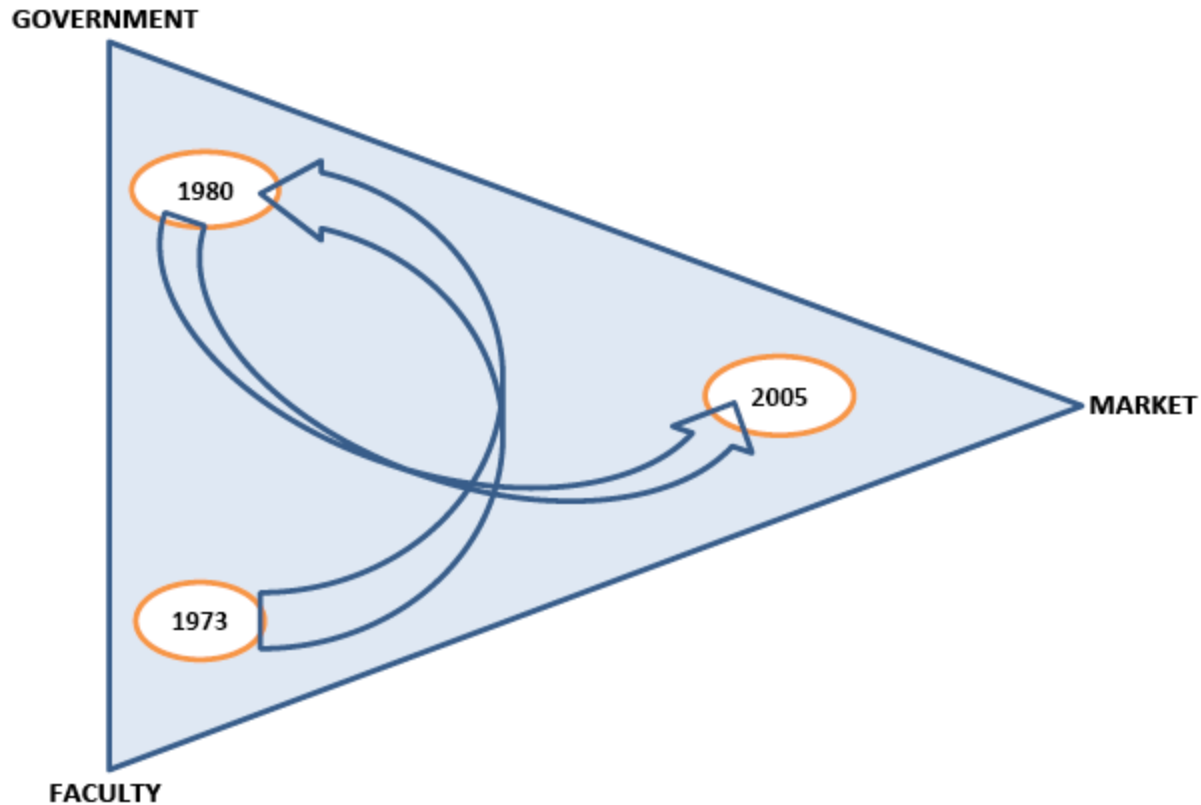
Public & private balance in the distribution of students and expenditure



Source: Based on two previous slides



# Clark's Triangle

The shifting influence of faculty, state and markets



# Market type conditions fulfilled in the Chilean and Dutch HE systems

Market type conditions in the Chilean and Dutch HE systems (around 2003)

	Extent to which condition is fulfilled	
for HE providers		
1. No entry barriers	+	-
2. Strong presence of private providers	+	-
3. Few product restrictions	+	+
4. Freedom to use resources	+	+
5. No restriction on fees	+	-
for students		
6. Free choice of provider	+	+
7. Free choice of program	+	+/-
8. Adequate information	+/-	+/-
9. Cost-covering fees paid	+	-
10. Wide scheme of student loans available	+	-

Legend: - hardly any; +/- a little degree; + large degree of marketisation

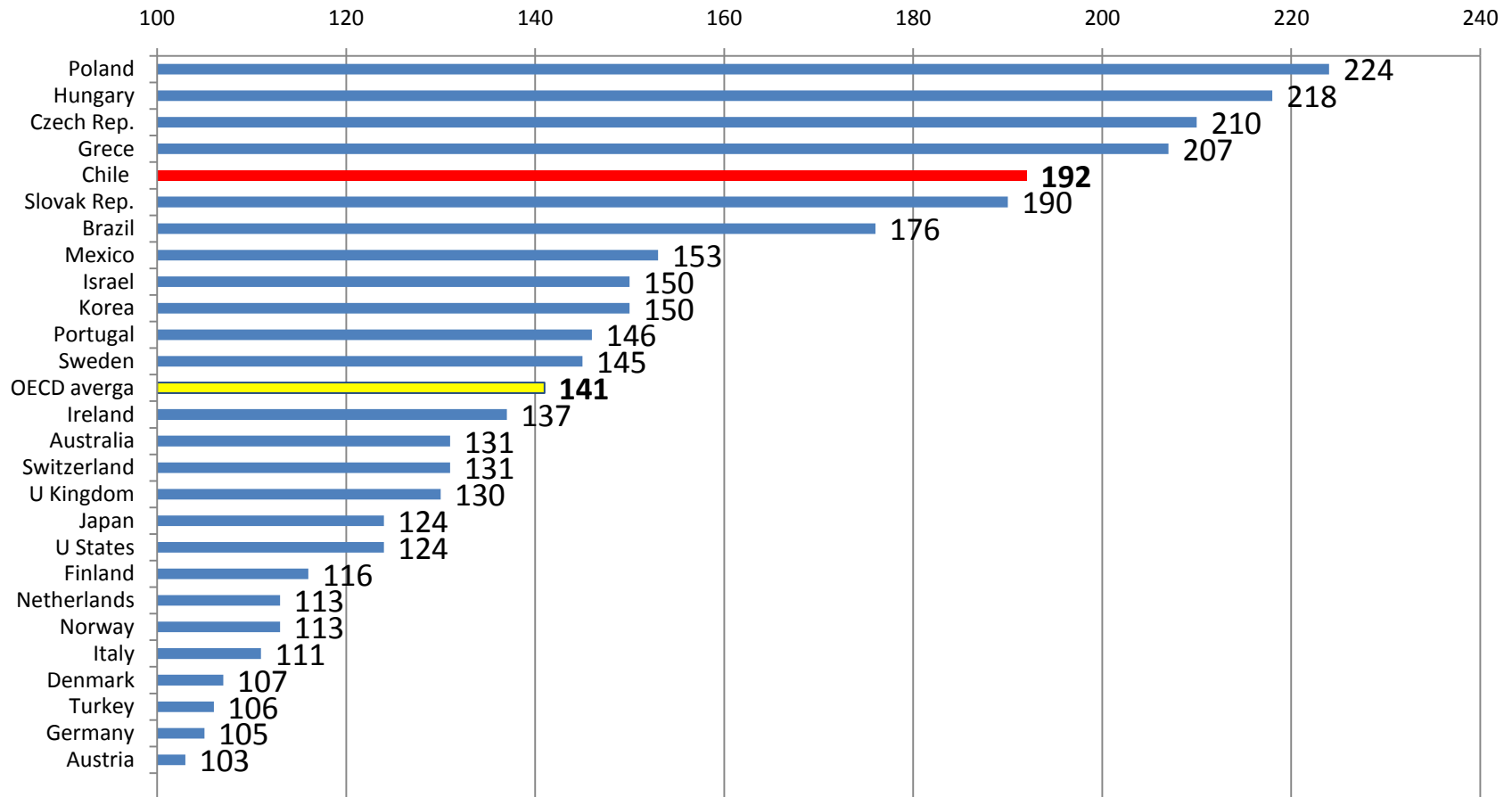
Source: The Netherlands based on B. Jongbloed, Marketization in Higher Education..., *Higher Education Quarterly*, Vol. 57, No. 2, April 2003



**System performance and outcomes  
in comparative perspective**

# Provision of learning opportunities

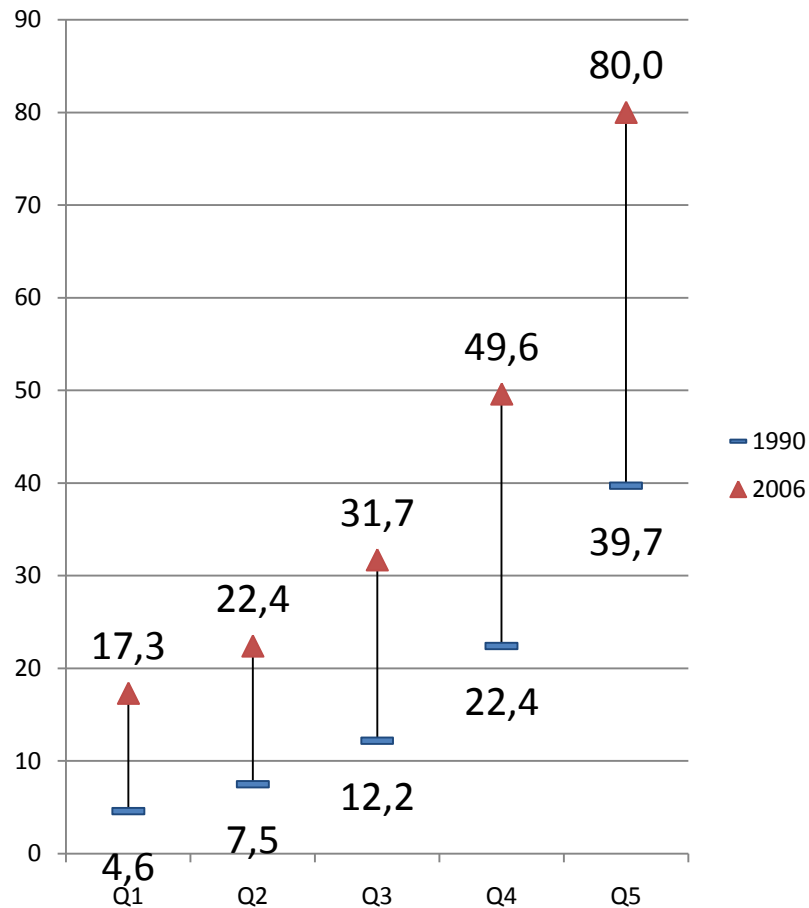
Change in number of students: Index of change between 1995 and 2004



Source: OECD, Education at a Glance - 2007

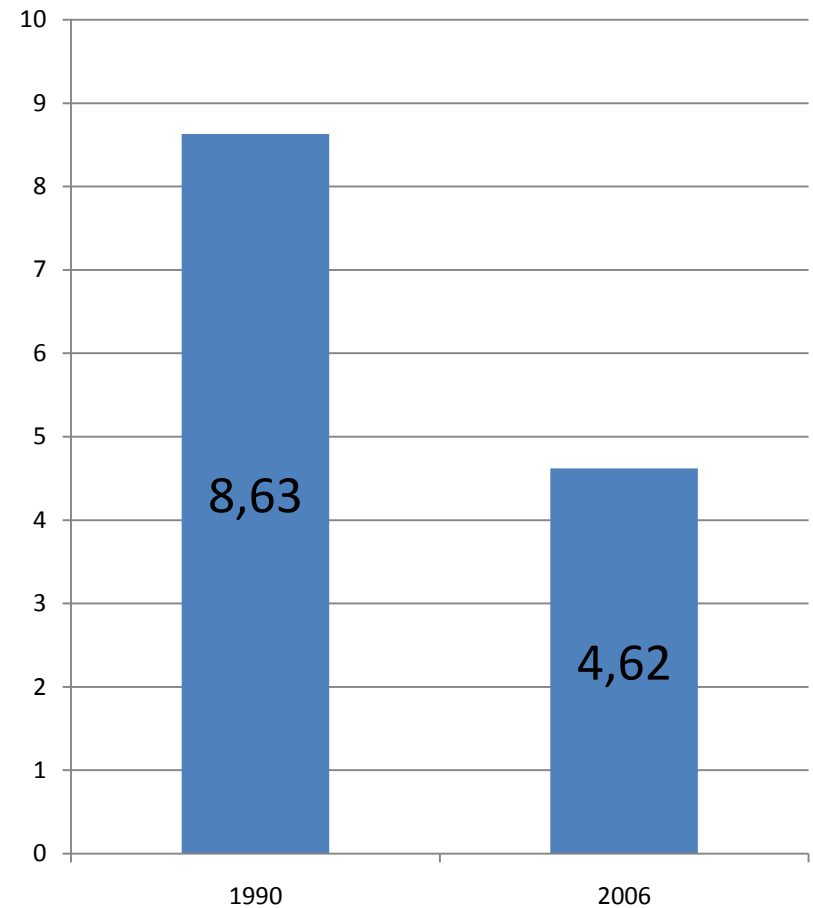
# Equality of learning opportunities

Participation in HE by income quintile, 1990 & 2006



Source: Based on CASEN - Household surveys, 1990 and 2006

20/20 Ratio in HE participation\*

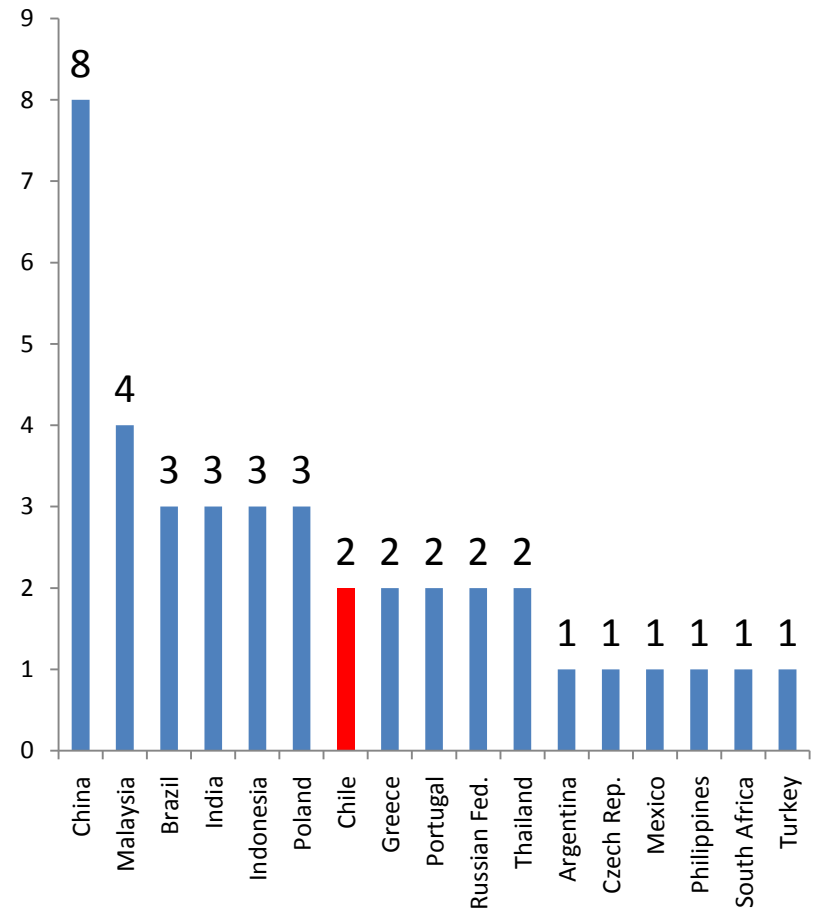


\* **Ratio** of the top quintile participation in HE to the bottom quintile participation

# Quality of learning opportunities

- Difficult to measure and compare
  - But we do know that in market driven HE systems there is a wide range in the quality of HEIs
    - Most are teaching HEIs
    - Research is highly concentrated
- Therefore importance of:
  - Market transparency (information), and
  - Strong quality assurance system

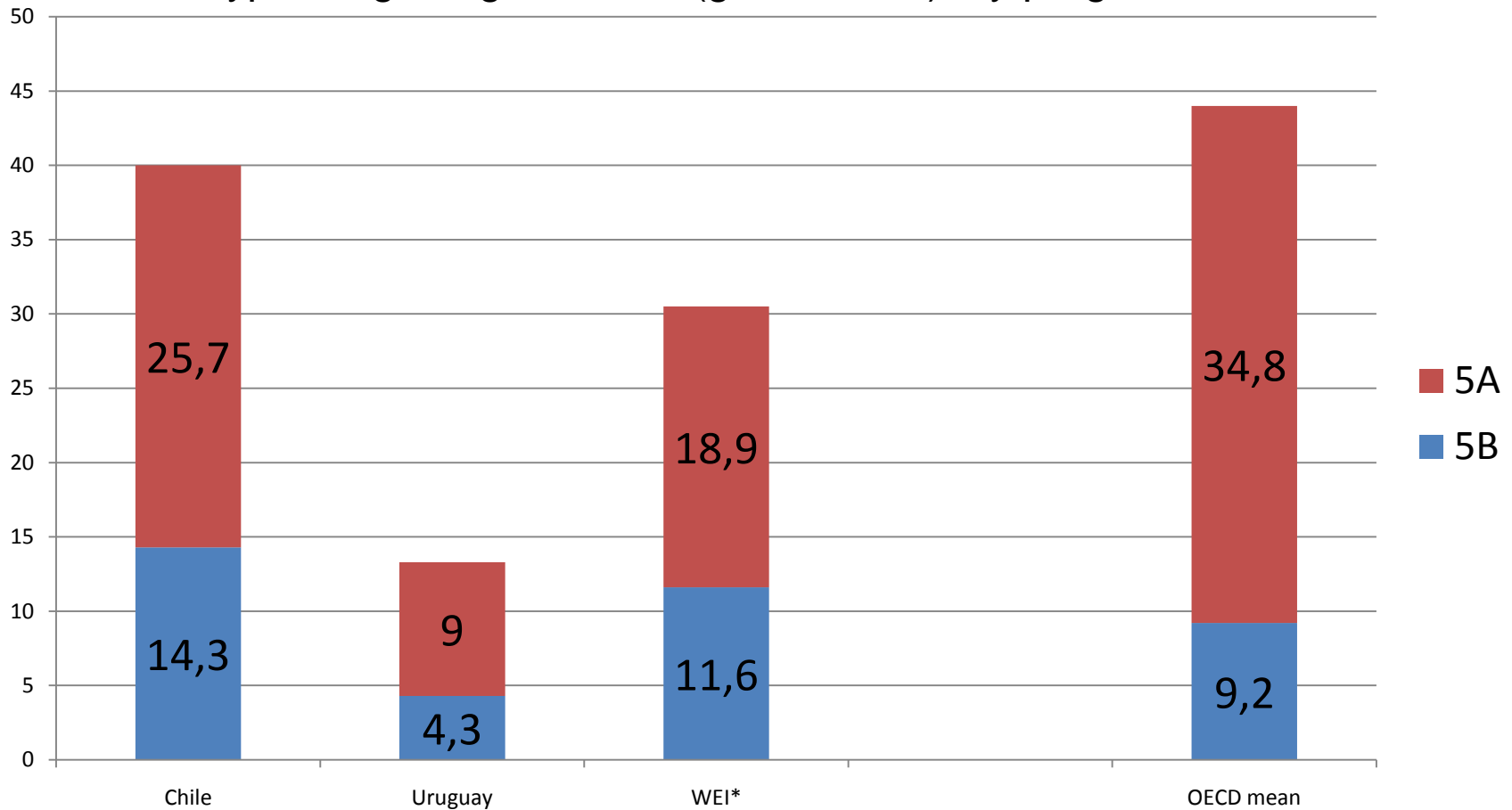
No. of Universities per country within Top 400



Source: THES - QS World University Rankings 2007 – Top 400 Universities

# Efficiency of outcomes

Tertiary graduates as a percentage of the population at the typical age of graduation (gross ratios), by program destination

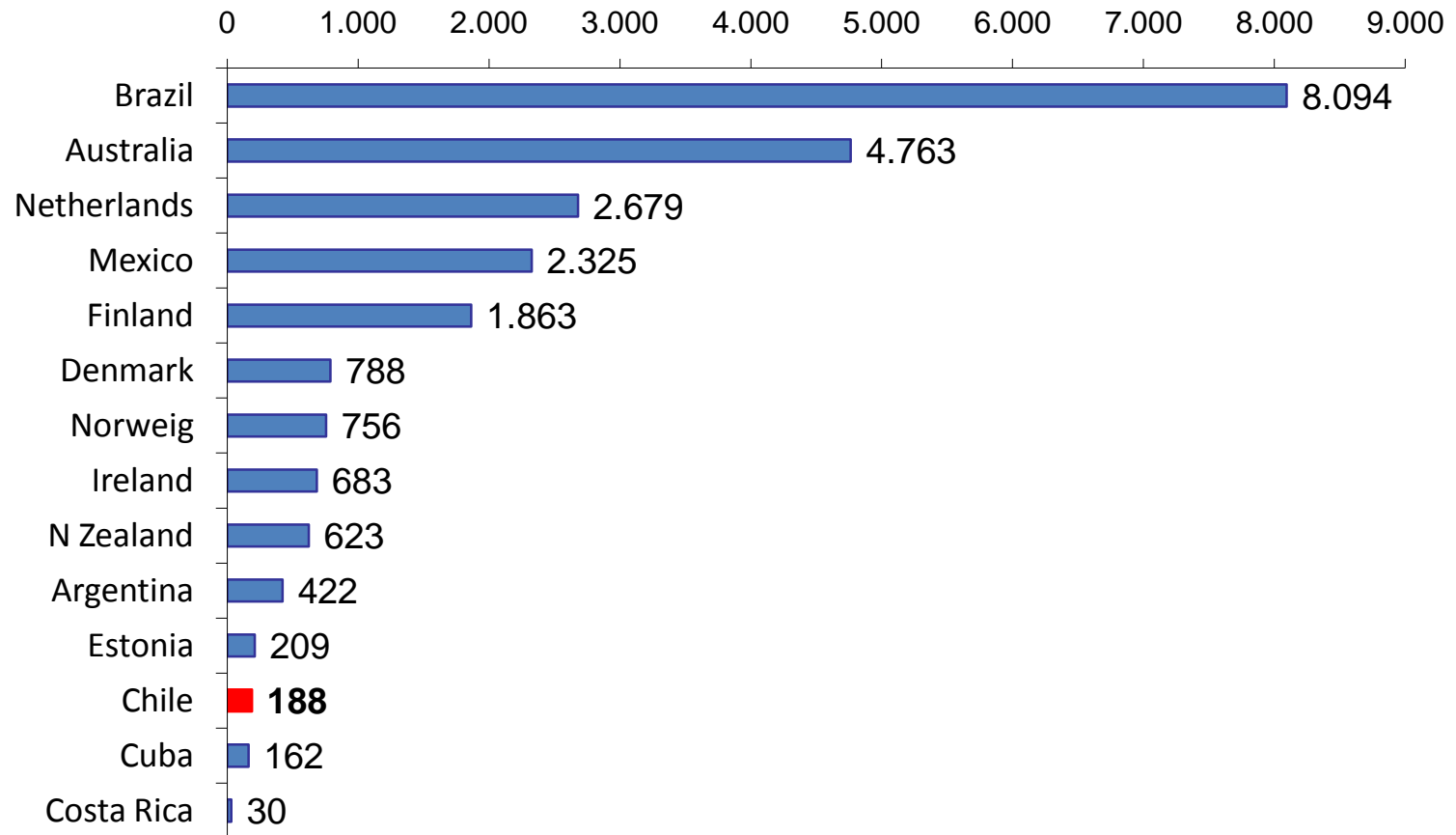


Source: UNESCO, World Education Indicators - 2006

WEI Group: Argentina, Brazil, Chile, Indonesia, Malaysia, Paraguay, Peru, Philippines, Russian Federation, Thailand, Uruguay

# Training of faculty and researchers

Number of Ph. D. graduates, 2004

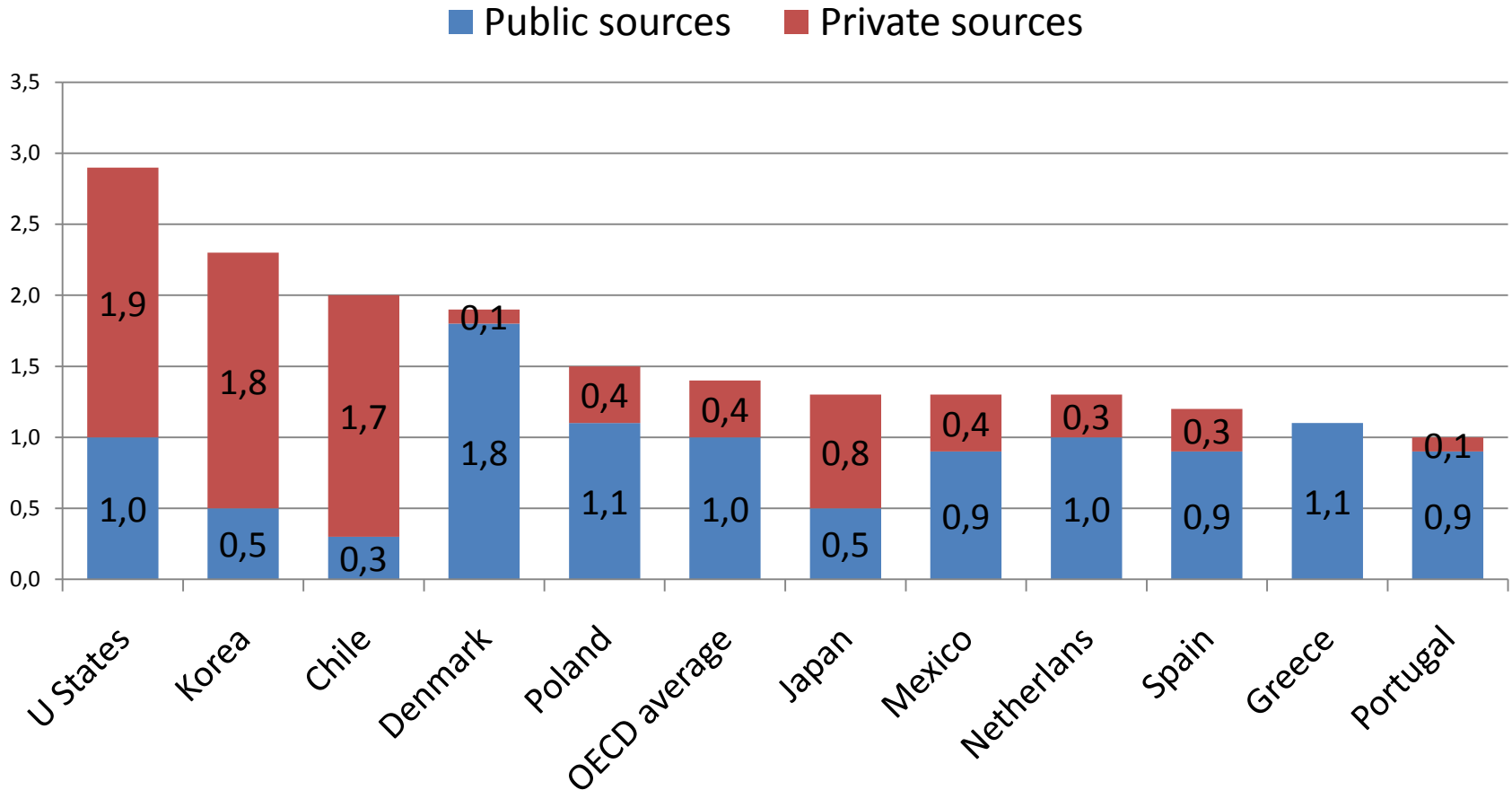


Source: National Science Board, Science and Engineering Indicators -2008

<http://www.nsf.gov/statistics/seind08/>

# Funding of HEIs

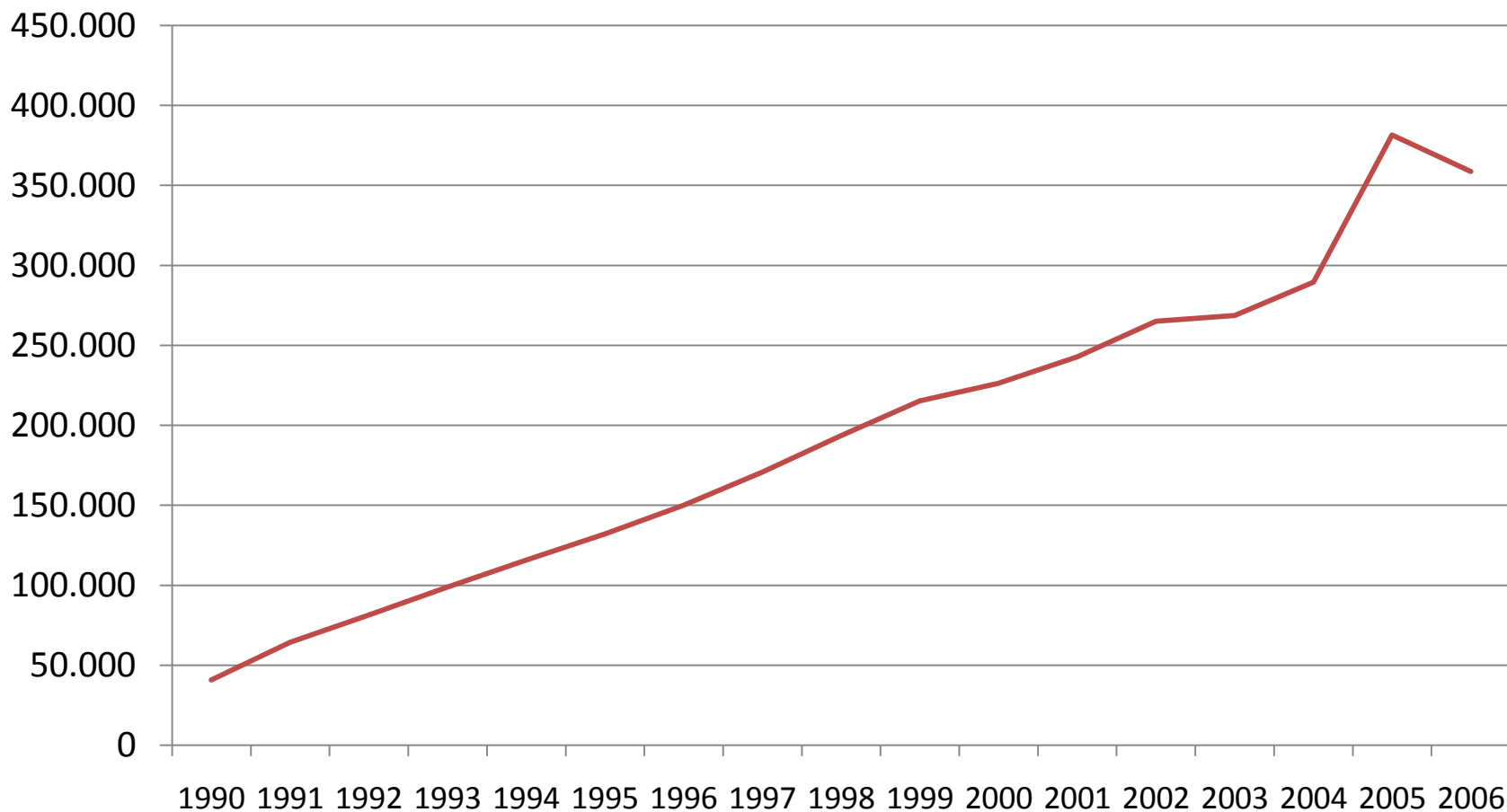
Expenditure on HEIs as a percentage of GDP, from public and private sources



Source: OECD, Education at a Glance – 2007

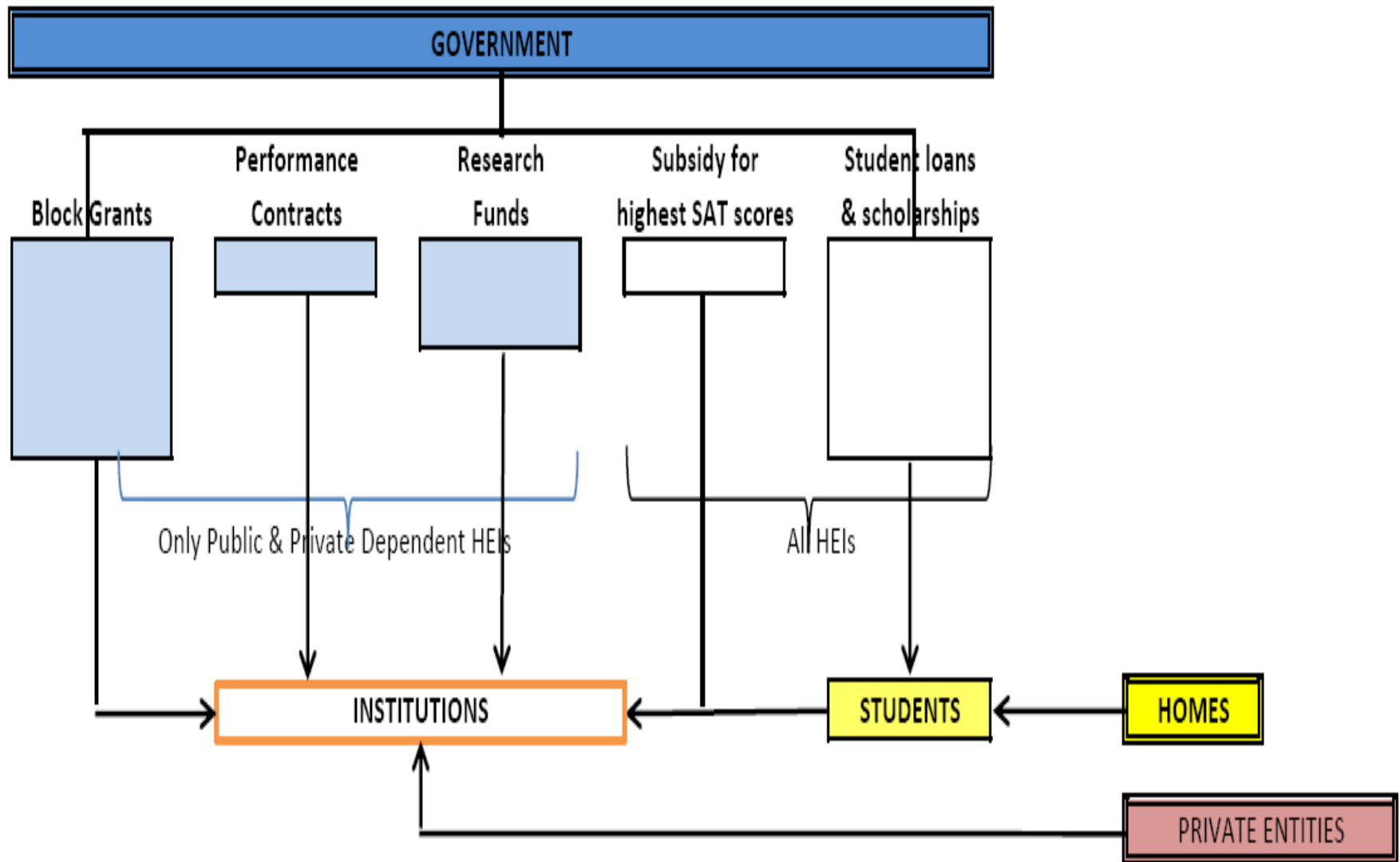
# Evolution of public expenditure on HEIs

Public expenditure in Million Pesos, 2006



Source: Ministry of Education, Education Indicators, 2007

# Chile: Funding modalities and instruments



# Major policy challenges

In a highly marketized system

- How to align market outcomes with national priorities
- How to guarantee sufficient market transparency and information
- Government funding of HEIs:
  - Institutions/students, teaching/research, using what allocation instruments and accountability procedures
- Role of government regulations
  - Freedom or restrictions to set up new programs?
  - Price regulation freedom to set prices?
  - National exams before graduating?