

The Chilean Path: From Student Protest to Managed University

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Chile's higher education trajectory illustrates how reforming market-based systems generates new institutional tensions rather than dissolving them. The 2018 Higher Education Law replaced student debt with state-funded access but reconfigured market competition as accreditation-driven compliance. The resulting managerial architecture produced quality-of-life frictions absent from the original student critique, complicating prospective counter-reforms and exposing the structural limits of the state-versus-market frame.

Chile built one of Latin America's most expansive higher education systems on market logic. It is now dismantling the consequences of that logic through state intervention. The Chilean trajectory offers a complete arc: from radical marketization to mass protest, from protest to legislative victory, and from victory to new institutional tensions that neither side of the original debate anticipated.

The Debt Behind the Diploma

Chile's postdictatorship higher education model rested on a straightforward premise: the state would subsidize demand, households would absorb costs, and institutional competition would drive quality. By the early 2000s, gross enrollment surpassed 40 percent, placing Chile among the region's most expansive systems. Successive governments celebrated this expansion as a vindication of the model, treating rising enrollment as evidence of social progress.

The Credit with State Guarantee (CAE), introduced in 2006, became the emblematic instrument of inclusion through debt. Middle- and lower-income students entered universities they previously could not access but exited with repayment obligations extending well into their professional lives. Because the state guaranteed the loans while private banks collected the returns, enrollment continued to rise alongside the portfolio of unpaid debt.

The student movements of 2011 and 2012 emerged to articulate contradictions the system had generated but could not resolve. First-generation students discovered that debt-financed access meant precarious integration rather than genuine opportunity. The 2011 protests, which drew sustained support from over 70 percent of the public, centered on a specific charge: the state had become a subsidiary of a private market rather than a guarantor of social rights.

Diagnostic precision and a focus on economic structure distinguished the Chilean movement. A central demand was *fin al lucro*, the elimination of profit-seeking in publicly funded

institutions. Students did not demand transforming the institutions themselves; they demanded restructuring the economic relationship between the state, the institution, and the student. That specificity made the movement legible to legislators and transformable into policy.

The Regulatory Turn

The movement's specificity had a direct legislative consequence. By framing demands in economic rather than ideological terms, it created conditions for a precise policy response. The 2018 Higher Education Law (Law 21.091) represented a genuine policy transformation. Its central provision, *Gratuidad*, established that students from the bottom 60 percent of the income distribution could attend accredited institutions tuition-free. By 2025, *Gratuidad* covered approximately 600,000 students. The law also created the Undersecretariat of Higher Education for planning and the Superintendency of Higher Education, which was responsible for auditing institutions and preventing profit generation from state-funded activity.

In this new environment, market logics were reformulated, not abandoned. Free tuition required the state to control costs, define eligible institutions, set enrollment quotas, and monitor financial compliance. Liberation from market dependency created a new dependency on state approval and state-adjacent metrics of institutional legitimacy. The regulatory architecture built to protect students now governs virtually every significant institutional decision.

While similar dynamics are emerging in other Latin American countries pursuing state-led access reforms, Chile is unique in the speed and completeness of its transition as well as in the degree to which former student leaders presided over it. When Gabriel Boric, a former student leader from the 2011 protests, assumed the presidency in 2022, the market critique was fully institutionalized. Protest converted into state decision-making; the revolutionaries became the regulators.

Competition by Other Means

The most counterintuitive outcome of this regulatory turn is that it failed to eliminate institutional market competition. The National Accreditation Commission (CNA), significantly reinforced by the 2018 law, now functions as the central instrument of institutional survival. Accreditation is no longer voluntary. Because only accredited institutions can access most state funding, accreditation has become a financial lifeline, and its criteria are the de facto strategic priorities of every university.

The result is regulated competition. Institutions compete not for tuition-paying students in an open market but for state-funded students whose enrollment is conditioned on accreditation performance. Universities have responded by expanding management infrastructure to monitor, document, and optimize performance against CNA criteria. Strategic planning offices, quality assurance units, and outcome-tracking systems have proliferated across the sector.

Quantifiable data have also acquired greater institutional relevance than unquantifiable aspects. Faculty are now evaluated against output metrics, programs are assessed for labor-market alignment, and resources migrate toward demonstrable indicators. The university previously criticized for subordinating education to profit has often been replaced by one subordinating education to compliance.

The Costs of Compliance

As structural access was partially secured, the register of student protest shifted. The 2018 Feminist May movement and the ongoing salience of mental health in Chilean universities signaled a transition from demands around funding to demands about the quality of institutional life. These movements have challenged the organizational environments produced by state-funded, accreditation-driven institutions.

Surveys in Chilean universities consistently document elevated rates of undergraduate anxiety, burnout, and psychological distress. Institutional health reports establish a correlation with intensified academic pressure stemming from accreditation requirements. A system that resolved its access problem generated a quality-of-life problem. Institutions incorporated well-being indicators and psychosocial support units into their quality frameworks. However, the system responds in the only register it knows. Each new friction generates a new metric, reinforcing the underlying logic and resulting in institutional lock-in.

The Next Turn

With José Antonio Kast's government, Chilean higher education enters a phase of potential counter-reform. The administration's emphases on fiscal efficiency, freedom of choice, and reducing regulatory burden suggest the political will to revise Law 21.091 and possibly reintroduce market mechanisms.

Structural constraints on this ambition are significant. Regulatory bodies are embedded in legislation requiring substantial congressional effort to modify. Furthermore, *Gratuidad* is a politically durable entitlement; eliminating it would impose visible costs on a large constituency. Administrative reorientation is more plausible than structural dismantling. The government may redefine accreditation criteria to reward efficiency, expand funding access across more institutions, and adjust coverage thresholds to shift the public-private balance without repealing the existing framework.

A government committed to reprivatizing educational logic must operate through a state apparatus committed to regulation. A clean ideological rupture seems structurally foreclosed. What remains possible is a "war of metrics": a gradual redefinition of what the state measures and incentivizes, without changing the formal managerial architecture governing universities.

Lessons from the Chilean case

The Chilean arc demonstrates that higher education reform does not eliminate institutional tension. The tensions from the market model were real and the reforms necessary. However, those reforms produced a new configuration with frictions the original coalition could not anticipate.

The managerialist turn was a predictable response to compliance-based regulation. Governance tools like accreditation require explicit counterweights, including protections for institutional autonomy and qualitative reviews, to prevent metrics from becoming the sole language of institutional life. Building formal mechanisms for institutional dissent to inform policy, such as ombudsman functions and independent reviews, can also help to identify system failures. In Chile, the student movement identified the CAE's structural consequences years before ministries acknowledged them.

Ultimately, debating the primacy of a market-centric or state-centric system obscures the fundamental question: what conditions allow universities to fulfill a social purpose that neither markets nor metrics can fully specify? Systems unable to answer this will continue generating protest regardless of the primary funder.

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