

ers—some of which were genuine and some much more concerned with generating income than providing quality educational programs, facilities, or staff. As a result, regulators in many states could not maintain quality across the sector, with calamitous results. Headlines appeared of fly-by-night providers and of international students—particularly from India, who were being misled by the institutions themselves, or duped by unscrupulous agents. When the press in India got wind of such incidents, sensational stories of Indian students being abandoned, duped, or attacked spread rapidly across newspapers and other media. Vocational student numbers from the subcontinent plummeted, and the reputation of the entire education sector suffered. The promised cuts of 50 percent to TEQSA funding clearly flies in the face of such precedent and raises the prospect of a similar outcome in higher education.

If not all the implications of how far and how fast the new federal government wishes to deregulate and privatize higher education are yet clear, there are worrying signs that ideology has trumped sober policy analysis. If so, there are real risks for the higher education sector, including reputational risks that could imperil international higher education enrollments. Be careful what you wish for. ■

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## Chile's Universities: Reasons for Success

JUAN UGARTE

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Chile became the first South American nation to achieve membership in the Organization for Economic Cooperation and Development. Across a broad spectrum of socioeconomic and political measurements, including higher education performance, Chile tops the rankings across the Latin American region. That is because Chile's enrollment rates approach 60 percent, and almost 30 percent of Chile's population of 25–34 year-olds has attained tertiary education, well above the average for the region. Scientific productivity and impact, in proportion to the size of population, also positions Chile at the front of the Latin American region. A review of 2013 rankings like *QS Latin American University Rankings*, and *Shanghai Academic Ranking of*

*World Universities* permit us to conclude that Chile has the highest density of “high-quality institutions” in the region.

Two factors help explain Chile's exceptional performance in Latin America. The first is the nature of its system: state and nonstate universities compete in the same academic arena, and both enjoy public financial support. The second is the contribution that US universities have made to the development and modernization of Chilean universities.

### STATE AND NONSTATE UNIVERSITIES

Since its birth as an independent republic, Chile has established a constitutional right to “freedom in education.” In essence, this is the state obligation to ensure universal access and the right of citizens to choose their preferred institution. In higher education, this principle first materialized through the creation of the state university: the University of Chile in 1842 and then a nonstate university—the Catholic University in 1888. With this base, Chile's higher education system expanded its capacities through efforts of state and private foundations. Later, in 1923, Parliament approved public financing support for all of these institutions. Other national organizations, like the President's Council of Chilean Universities and the National Commission for Sciences and Technology, were created to support general university activities. Parents and students now enjoyed the option of selecting the best university to realize their academic ambitions, knowing they would receive the same benefits (such as scholarships) in any of them. Playing the same field, both state and nonstate institutions competed with strong incentives to attract students, faculty, and resources. Developing under these conditions, it is clear that the mixed nature of Chile's higher education system—the only one in Latin America using this model—helped explain its success, at least in part.

### THE CONTRIBUTIONS OF US UNIVERSITIES

Even though earlier contributions exist, the middle of the 20th century saw Chile and the United States sign two agreements that marked a turning point in modernizing the Chilean higher education system.

In 1955, under the auspices of the United States Agency for International Development, the University of Chicago signed an agreement with the School of Economy of Catholic University of Chile, permitting a generation of economists to do their graduate studies in Chicago and creating the very influential group called “Chicago Boys.” Professors Arnold C. Harberger and Milton Friedman played crucial roles in this effort. Friedman authored the expression “the miracle of Chile,” to denote the impact of this new generation of scholars on national economic and institutional policy. Under the military government and influence

of the “Chicago Boys,” a new institutional order was created, based on privatization and reducing the state’s role. In higher education this new order resulted in the dominance of private institutions as seen today.

During the next decade, the 1960s, as part of the “Alliance for Progress” efforts, Presidents John F. Kennedy and Eduardo Frei signed a “Chile-California Plan” to help Chile develop key areas like education and agriculture. Since 1965, with the support of the Ford Foundation, the University of Chile has enjoyed important interchanges with the University of California-Davis, allowing a new generation of faculty to obtain graduate degrees there (known as the “UC-Davis Boys”). These graduates have since made great impact in two key Chilean agriculture areas, fruit, and wine.

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**Under the military government and influence of the “Chicago Boys,” a new institutional order was created, based on privatization and reducing the state’s role.**

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At the same time, Catholic University’s School of Engineering, headed by Dean Raúl Devés and Director Arnoldo Hax, began a profound set of academic reforms. For this effort, they had the support of the University of California-Berkeley, with additional grants from Ford Foundation and Inter-American Development Bank. A significant number of Chilean academics did their PhD studies at the University of California-Berkeley, while several Berkeley professors came to Chile and stayed for months teaching, doing collaborative research and helping the new authorities to develop a new curriculum. These events had three significant impacts. They launched a new concept of engineering curricula. They also initiated full-time academic positions inside Catholic University and created a “university campus,” a common space for different schools and disciplines. Obviously, such tremendous changes had a significant impact at Catholic University, and they spread to modernize the entire Chilean university system in time.

After those first cross-cultural agreements, the relations between US and Chilean institutions continued and deepened. The large numbers of Chilean students in US universities and the quantity of shared scientific papers published by faculty of both countries are evidence of that. Most recently, a renewed “Chile-California Plan” was signed in 2009, and the first agreement between Chile and the Commonwealth of Massachusetts was launched in 2011.

This last initiative has two important partners: MISTI-Chile (Massachusetts Institute of Technology) commenced 24 shared research projects; and the Harvard-Chile Innovation Initiative, chose 12 projects to be part of 2013–2014 activities. The Secretary of Economy of Chilean Government proclaimed these efforts 2012’s most successful program for technological transfer. The full impact of Chile-Massachusetts agreement will be appreciated over time; the work is just beginning.

In conclusion, the unique mixed nature of Chile’s system and its alliances with North American universities help explain the prominent performance of Chile’s universities. Today, with a student movement seeking cost-free access to university education, we have a great effervescence inside the system, bringing new questions about the future of Chile’s universities. ■

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## A Quiet Revolution in Chinese Universities: Experimental Colleges

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In the upcoming decade, changes with respect to governance of Chinese universities can be expected, as they are now planned in many domains and at all levels: external and internal, macro and micro. At policy level, the *National Outline for Medium- and Long-Term Educational Reform and Development (2010–2020)* or the 2020 Blueprint calls for building a modern university system on Chinese soil, which centers on granting and securing university autonomy and academic freedom. At institutional level, Chinese universities are now encouraged to draw up their charters that are supposed to define the boundaries within which they should have jurisdictions and autonomy. While many remain curious and doubtful about whether the government will voluntarily take its hands off, and whether universities will enjoy true autonomy over their own operations, a quiet revolution might now be observed internally at the college/school level, along with emergence of a group of experimental colleges/schools in 17 universities across the