

given the increased focus on the social dimensions and related public-good arguments in the Bologna process. Fifth, differences also exist with respect to the involvement of actors (for example, higher education institutions and students are more directly involved in the Bologna process than in the Lisbon process) and in the range of countries involved. Finally, the role of the European Union has moved beyond mobility and recognition issues into the policy field at large. The Bologna process has to some extent facilitated this change. But it has really been boosted by the Lisbon summit, where the heads of state gave the commission a mandate to undertake action—without, however, (so far) enlarging the commission's formal responsibility or legal basis for it. Notwithstanding these limitations, the commission has clearly enlarged its policy ambitions in the higher education area. The achievement of those goals may become difficult, however, considering the lack of direct policy instruments and may also be particularly challenged by the concurrent enlargement of the EU with 10 new countries in Central and Eastern Europe.

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## Private Higher Education with an Academic Focus: Chile's New Exceptionalism

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Chile has been both an early example and a patent case of transition from a predominantly public to a primarily private, market-coordinated, system of higher education. Higher education was privatized and deregulated, and competition imposed upon institutions. The creation of new private institutions was authorized in 1981, under a very lax licensing system. Public universities (including the publicly subsidized private universities created prior to these reform, the “old” privates) were required to charge tuition and engage in other revenue generating endeavors as public funding for higher education fell 40 percent between 1981 and 1990. What public funding remained would be, increasingly, distributed competitively.

Twenty years after Chilean higher education was reformed, “privateness” has come to be its dominant feature, with the private sector representing 93 percent of institutions, and 71 percent of enrollments. Nonpublic sources account for some three-quarters of total national higher education expenditures. All these figures set Chile among the world's leaders in private participation in tertiary education. Chilean higher education is extolled as a model, especially by the World Bank, and not only for Latin America.

Just as 20 years ago the homogeneity between public and private sectors of higher education made Chile anomalous in Latin America, today many features of Chilean higher education stand in contrast to common features of private higher education in the region and in other developing countries. Foremost is the presence of genuine academic work in the new private university sector.

### *Familiar Patterns of the Private Sector*

The Chilean private tertiary sector conforms to much of what accumulating research on Latin American and global private higher education shows: proliferating private institutions unengaged in conventional academic ends, part-time and poorly qualified instructors, weak admissions and promotion standards, inadequate infrastructure, poor libraries, and programs concentrated in inexpensive fields.

Compared to Chile's public universities, the repertoire of functions is narrower in privates, which are devoted to teaching or training as their main activity. There are no research universities among the new private universities, and they will not come close to such a definition for many years.

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Also, governance is more hierarchical and less participatory in privates, where the most powerful central administrations are found. Their authority is the greatest in institutions devoted only to teaching, where no critical masses of full-time faculty exist that could slice off a piece of control, or support a stronger leadership role on the part of a dean.

### *More than Diploma Mills*

Yet, 20 years or less after their creation, some Chilean new private universities have established teaching hospitals, doctoral programs in the natural sciences, and full-time researchers in law and business administration. Although Chile's private institutions, like their counterparts in Latin America, rely primarily on part-time faculty, 30 percent of their professors are full or half-time—a figure that compares favorably with the public sector in much of Latin America; and the figure shows a consistent upwards trend. A funding model based almost solely on tuition is at the base of this staffing pattern, which forces privates to be very selective in hiring full-timers. Indeed, the composition of Chilean faculty by degree type shows public and private universities to be rather close in terms of the percentage of faculty with graduate degrees (public 34 percent, private 28 percent).

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Whereas many private universities in Chile do not diverge much from the diploma mill stereotype, others combine commercial pursuits with reasonable (although not leading) academic pursuits. And the ones with a truly serious academic profile should give pause to those who reject private institutions and privatization wholesale.

Also remarkable is that private universities have achieved some measure of academic competence with little more than the resources they can muster from tuition and other private sources of funding—challenging the notion that public funds are indispensable for the “higher” academic functions of research, graduate education, and other forms of production of public goods. Certainly, public money helps considerably, and in Chile, too, publicly subsidized universities perform the bulk of those functions, but apparently much can be done in the absence of subsidies.

Although private universities in Chile do exhibit the narrower scope of mission, function, clientele, participatory governance, accountability, and finance that the literature identifies as characteristic of private educational institutions and sectors worldwide, they

are not by any means a marginal academic appendix to the public sector. They compete with the more established institutions on many fronts, and some even surpass public universities in prestige and in the quality of their student bodies, as measured by rankings and test scores, respectively.

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***No wonder, then, that we see many instances of private universities becoming models for public universities.***

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No wonder, then, that we see many instances of private universities becoming models for public universities—not just in finance, but also in management, reliance on part-time faculty, and extensive use of incentives for salary differentiation, to name just three areas.

The strengthening of the academic profession in the last two decades and the development of research and graduate programs took place in Chile at a time when the tertiary system, fueled by private sector growth, more than doubled in enrollments in just 15 years. The system became dominantly private in institutional make-up, enrollments, and funding, and institutions were forced to compete with each other. This record stands out as an intriguing exception to the decline of social services and public goods usually associated with privatization and market competition. Government policy, consistent with Chile's overall economic model, has also made its contribution, as research funding—granted on a competitive, peer reviewed basis—has increased fourfold since the early 1980s. Graduate programs are accredited under demanding standards, and performance indicators rewarding faculty credentials and scientific output influence the distribution of public funds. Overall, however exceptional it may be, Chile's experience suggests that private initiative and market competition, far from being inevitably antithetical to academic development, can under certain conditions actually foster it. ■

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