

**Privatization, Domestic Marketization and International Commercialization of Higher Education:
The Case of Chile**

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Abstract

This presentation explores the processes of privatization, domestic marketization and commercialization of higher education in Chile (after 1981). The analysis is focused on the emergence of private institutions, the expansion in enrollments in these institutions and the increase of private sources of founding for post- secondary sector. Attention is also given to domestic marketization (a strengthening of an orientation toward selling programs/commodities to students/consumers within the country) and international commercialization (an expansion of initiatives by domestic and foreign institutions to provide distance education, and study abroad/exchange, and foreign site based degree programs). This process was promoted by internal political actors (Chicago Boys) but also shaped by external forces, notably the WB's higher education policy recommendations and the conditionalities considered in the stabilization and structural adjustment programs promoted by the WB/IMF. As a result of these processes – occurring prior to and during the emergence of the General Agreement on Trade in Services (GATS) as a component of the WTO- Chilean higher education institutions are much more vulnerable to foreign influence/domination, although they also have somewhat greater opportunities to broaden their role in the global business of higher education. The paper concludes that: a) WB higher education policies, IMF and WTO recommendations were followed by Chilean governments; b) Chicago Boys (Chilean economists ruling the country under the Pinochet administration) imposed through the 1981 HE reform the new liberal agenda in line with WB policies; and c) public expenditure in HE decreased, private expenditures significantly increased and the government set up the self financing regime.