

# The effects of free tuition policy on university academic performance in Chile

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## Abstract

In 2016 Chile initiated a policy of free tuition for students from families in the lower half of the income distribution to improve access to and completion of higher education. The empirical effectiveness of the policy has not yet been completely demonstrated. This study analysed the difference in levels of academic performance of students enrolled in 12 Chilean universities with and without free tuition. The study used a regression discontinuity design with a running discrete variable locally randomised. The results show that the academic performance of students receiving free tuition was equivalent to that of students paying the full cost. There was no difference in the course pass rate of those with or without free tuition. Over time the effects of the policy could reduce inequality in the professional labour market. In addition, the study suggests that there may be complementary practices that further improve university student achievement and completion rates.

## KEYWORDS

academic performance, free tuition, regression discontinuity, student achievement

## INTRODUCTION

In 1970 less than one-third of secondary school graduates in Chile went on to tertiary education. By 2015 almost 75% of the eligible population was enrolled, placing Chile behind only the USA, South Korea and Canada in terms of level of coverage (Espinoza & Urzúa, 2015). Beginning in 1980 rapid economic growth had produced an increased demand for higher education graduates. At the same time, the market-oriented military dictatorship reduced