

## Changing higher education governance in Latin America: the cases of Chile and Ecuador

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### ***Abstract***

*This article examines recent changes in the governance of national higher education systems in Chile and Ecuador. It focuses on the changes associated with the different roles of the State/Government as a coordinating mechanism. An analytical model is proposed that distinguishes between five roles of the State/Government: system designer, principal, regulator, evaluator, and funder. Recent reforms introduced in the sector by both countries are analysed and their impact on the State/Government profile is compared. The results show that the roles of system regulator, designer and evaluator are changing in opposite directions because of the respective reforms. On the contrary, the results show that both countries are moving in the direction of strengthening the state/government roles as funder.*

**Keywords:** *Higher education; governance; Chile; Ecuador.*

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## **1. Introduction**

Over the last few decades, the governance of national HE systems has been subject to significant changes at a global level (Capano & Pritoni, 2020). These changes have redefined roles and power relations between state, market, HE institutions (HEIs) and various external stakeholders (Facchini & Fia, 2022). Indeed, HE governance reforms are acknowledged to be influenced by global patterns associated with the main public sector transformation streams: new public management (NPM), networked governance and neo-Weberian (Donina, Meoli & Paleari, 2015). Moreover, the growing interest in studying HE governance has led to increasing complexity in the conceptual and analytical approaches used to understand its changing dynamics. Over the last two decades, the so-called governance equaliser approach (de Boer, Enders & Schimank, 2008) - inspired by Clark's (1983) coordination triangle - has gained increasing legitimacy among researchers in the field and has been used for the study of HE governance transformations in several countries. See, for example, Donina, Meoli & Paleari (2022). The results of these studies confirm the strong dominance of local contexts in the direction of change, while showing a trend towards configuring hybrid HE governance systems (Capano & Pritoni, 2019). In Latin America (LA), national governments of different political tendencies have introduced adjustments in the governance of HE aimed at strengthening the state-market axis. In this sense, a process of policy accumulation (González-Ledesma & Álvarez-Mendiola, 2019) is recognised as a recent trend that, on the one hand, increases the role of the state through increased public funding of the sector and greater control over private HEIs, and, on the other, maintains public policies and regulations that are recognised within the framework of academic capitalism (Brunner et al., 2021). Indeed, it can be argued that changes in the governance of national HE systems in LA seek to strengthen the role of the state as a counterbalance to the strong historical influence of academic autonomy and self-governance on the one hand, and to the power of market forces in deregulated contexts on the other. Recently, however, some national governments in LAC, such as Chile and Ecuador, have undertaken important reforms that are changing the trajectory of HE governance followed over the last decade. On the other hand, given the growing diversity and complexity of national HE systems in LA, existing typologies - especially those developed in the global North - have limitations in organising the complex reality of their governance. Thus, their application in the region faces the challenge of converging towards models of analysis capable of addressing the heterogeneity of national HE systems and their ongoing processes of transformation. This article therefore has two central objectives. First, to propose a conceptual and analytical approach to examine HE governance from the perspective of the state's role as main system coordinator. Second, to analyze the changes in the governance of national HE systems in Chile and Ecuador, focusing on the similarities and differences between the two cases, based on the respective reforms adopted in recent years. Its content is divided into four sections. First, it shows the conceptual

and analytical framework used to examine the case studies. Next, the methodology used is displayed, including the data collection mechanisms and sources of information. It then presents the major findings and finally draws the main conclusions.

## **2. Conceptual framework**

To approach the complexity of the state's role as a coordinating force in HE, we turn to the concept of multi-governance (Chou et al., 2017). This concept consists of four dimensions. The first is related to its multilevel quality, which refers to the degree of concentration or distribution of authority at different vertical levels of State/Government: national, regional, and local. The second dimension relates to the multiple actors or stakeholders interacting in the sector, such as state or governmental bodies (ministries, agencies, and others) and non-governmental organizations, including HEIs associations, academics, business and labour, students and their families. The third dimension relates to the multiple issues competing for priority space on the public agenda. A fourth dimension is the multiple organizational and coordinating arrangements that result from the interaction between the various forces of State/Government, markets, and HEIs. Amid this complexity, the State/Government can play different roles depending on the nature and emphasis of the public policies it promotes. Indeed, we distinguish five different roles in the LA context, based on the orientation of the oversight (behavior and/or outcomes) and various arrangements that the State/Government uses: system designer, principal, regulator, evaluator, and funder. In the role of system designer, the State/Government establishes the policies and norms that regulate the behavior and relationships between the different actors that are part of the HE system. Indeed, it is within this framework that the traditional academic autonomy and self-governance widely recognized in LA take form. It is also through this design that the State/Government sets the conditions for the participation of the private sector in the provision of HE. Next, in the context of agency theory, the State/Government acts as a principal vis-à-vis HEIs, which act as agents. In this model, the State/Government defines objectives and expected outcomes, control mechanisms and accountability. As principal, the State/Government seeks to align the performance of HEIs with the public policy priorities of the sector. This format has been used in LA to guide the production of public goods in HE by both state and private institutions. It is also argued that this coordination modality has installed a new form of regulated autonomy. The third role adopted by the State/Government is that of regulator. In this case, the State/Government defines, enforces, and monitors compliance with rules aimed at regulating the functioning of markets in HE. Currently, a new regulatory landscape is emerging in the global North after several decades of a trend towards deregulation (Capano et al., 2020). Similarly, in LA, Rama (2006) observed this emerging phenomenon early on, characterizing it as the latest wave of regulatory reforms in national HE systems. Fourth, we distinguish the evaluative role of the State/Government, a function that the European

literature refers to as steering at a distance. By focusing on measurement, the State/Government aims to increase the productivity, efficiency, quality, and effectiveness of academic work at both institutional and individual levels. To this end, it deploys a set of indicators and metrics that seek to align the outcomes of HEIs with the public policy priorities of the sector. In fact, this role is increasing in LA countries, as part of national policies aimed at the measurement and evaluation of outcomes. Finally, the fifth State/Government role is associated with its role as funder. In this schema, funding is understood as more than a mechanism for allocating resources to HEIs and students. Rather, it is a governance tool to change behavior and maximize certain outcomes with limited resources. As such, State/Government is oriented towards seeking greater effectiveness and efficiency in the use of public resources by HEIs (Capano & Pritoni, 2019). In LA, there is a perceived shift from block grants (allocated in an inertial, automatic, and discretionary manner) to formulas that seek to influence the behavior and results of HEIs (García-Fanelli, 2019).

### **3. Method**

To develop this study, we used the methodology of documentary research on secondary sources, with two foci. Firstly, the literature on HE governance published over the last two decades by the global north and LA scholarly communities was reviewed, serving as a basis for the elaboration of the conceptual framework presented in the previous section. Secondly, legislation, regulations, policy reports, and academic and grey literature related to the national HE systems of Chile and Ecuador published over the last 20 years, and relevant for the purposes of this study, were reviewed. Of particular interest were the recent HE reforms introduced by the national governments of both countries. In the case of Chile, the Law on HE (N°20.091), published on 29 May 2018, and the Law on State Universities (N°21.094), published on 5 June 2018. Regarding Ecuador, the Organic Law published on August 2, 2018; and the Decree (N°494) amending the Organic Law on HE (LOES) of Ecuador, published on July 14, 2022. Each of these reforms was analysed through the lens of the five roles of the State/Government. Next, each of the authors separately assessed the changes in the roles of the State/Government in each country since the implementation of their respective reforms. Both authors then shared the results of their analyses. Differences were discussed until a consensus was reached.

### **4. Findings**

In both countries, the State/Government has played an important role as a system designer, albeit with different approaches and emphases at each stage and in each political context. In the case of Chile, the State/Government has played an active role in the design of the HE system, especially since the 1990s, seeking a balance between the State/Government, the

market and HEIs. However, after the recent reform of 2018, adopted during the administration of Michelle Bachelet, the role of the State/Government as a system designer became less important, along with a strengthening of its roles as regulator, evaluator and financier, and the maturation of the system itself. Indeed, the State/Government has strengthened and increased its influence in the management of public and private HEIs, which has led to greater regulation and supervision of HE. Despite these changes, the State/Government continues to be involved in setting up bodies and formulating policies and strategies to guide the sector's development. This is the case with the Under-Secretariat of HE as the sector's governing body, the Superintendence of HE as the supervisory body, and the Quality Assurance Council as the guarantor of HE quality. In Ecuador, the State/Government has gone through different stages in its role as system designer. During the Rafael Correa administration, the State/Government assumed a strong regulatory role, reducing the autonomy of HEIs and centralizing decisions in the central government (Benavides et al., 2018). However, in subsequent reforms under the administrations of Lenín Moreno and Guillermo Lasso, the State/Government has shifted its focus towards a more diversified profile, strengthening its role as a designer of the rules of the game (policies, norms, and instruments) that condition the relationships between different HE actors. In particular, the changes have granted greater autonomy to HEIs and have also strengthened the institutional framework of HE, creating inter-institutional and regional consultative planning committees with greater participation of the various stakeholders and less influence of the central government (Andrade, 2021). This indicates a more active role of the State/Government as a designer of the system.

Similarly, the State/Government plays an active role as principal in both countries, but with different degrees of relevance. In Chile, the State/Government has increased its influence in the management of both State/Government and private HEIs through performance-based contracts in priority areas. A notable example is the program to strengthen State universities with 10-year development plans based on objectives and expected results approved by the Ministry of Education. Although the State/Government remains an important factor in defining objectives and accountability, its role as principal seems to have lost importance compared to its roles as regulator, evaluator, and funder. Indeed, the State/Government's influence on the objectives of HEIs has been complemented by other financial, evaluative, and regulatory mechanisms, such as formulas for the distribution of resources, compliance with quality criteria and standards, and new norms. In Ecuador, recent reforms have strengthened the leading role of the State/Government, giving greater importance to the definition of objectives and the accountability of HEIs and academics. An example is the introduction of a new regulation to financially incentivize academics to carry out research and development work, establishing monitoring and accountability mechanisms like a contract between a principal and an agent. In addition, the reforms have put in place financial incentives to improve the productivity of individual researchers.

Regarding the role of the regulatory State/Government, the two countries show different trends. In Chile, it has increased its relevance in recent years, especially after Law 21.091/2018. This reform introduced a series of new regulations that explicitly establish the mission of HE; it sets up new rules that increase the State/Government's capacity to supervise HE in terms of compliance with the law, especially the use of public resources; it establishes new rules for access to and use of public funds for free education; and it determines the obligation to accredit quality based on more demanding criteria and standards. On the other hand, in Ecuador, the regulatory State/Government played a very strong role in the 2010 LOES reform, which established a high level of public regulations and reduced the autonomy of HEIs through the implementation of regulations and the oversight function by bodies under the control of the executive branch. However, subsequent reforms in 2018 and 2022 have weakened the role of the State/Government as regulator and granted greater autonomy to HEIs; for example, by simplifying procedures for creating new programs and making curricular changes.

In addition, in both Chile and Ecuador, the State/Government has taken an active role as evaluator in HE, albeit with different approaches. In Chile, the State/Government focuses on compliance with criteria and standards, while in Ecuador it has moved towards a focus on continuous improvement and greater involvement of HEIs in the evaluation process. In fact, the Chilean State/Government has strengthened its role as evaluator with the creation of the National Quality Assurance System, which is composed of different public bodies that should establish a coordination plan, define, and coordinate criteria and standards for improving HE quality. Law 21.091/2018 also introduces a new quality assessment model that emphasizes the fulfilment of criteria (18 in the case of the university subsystem), each with three performance levels. In effect, it creates an integrated and mandatory institutional accreditation system that covers all academic functions, campuses, and programs. Thus, according to the results obtained, HEIs are classified into three levels: basic, advanced and excellence. Furthermore, new regulations also make mandatory the accreditation of doctoral programs. In Ecuador, the role of the evaluative State has evolved from an approach based on compliance with metrics to one focused on continuous improvement during the last decade (Ponce & Intriago, 2022). The 2018 LOES reform established a new quality evaluation model that distinguishes between accrediting and non-accrediting evaluation, ensures greater involvement of HEIs in the evaluation process, and gives greater importance to self-evaluation. It also emphasizes qualitative aspects and removes the previous categorization based on compliance with metrics. The new model is binary, i.e., it determines whether a HEI is accredited or not. Similarly, the latest reform of 2022 makes the annual evaluation of the performance of individual academics in HEIs mandatory.

On the other hand, the funding State/Government role has been strengthened in recent years in both countries. In Chile, Law 21.091/2018 increases public funding and introduces free

tuition for students from the six lowest income deciles. It also regulates fees per undergraduate education program and limits the annual growth of new students. The Chilean Law 21.094/2018 also institutes a specific amount of public funding to strengthen State universities. These measures make HEIs more dependent on State/Government, thereby restricting institutional decision-making autonomy in the use of resources. In Ecuador, the LOES reform of 2018 introduced a formula mechanism to distribute public resources according to results, based on teaching, research, extension and administrative indicators (Ponce & Intriago, 2022). In addition, the new regulations allow universities to generate private income through technical assistance and consultancy to strengthen their academic projects.

## **5. Conclusions**

This article contributes to the academic international debate on analytical models for understanding changing State/Government roles in the governance of highly diverse and complex national HE systems. A new model is proposed and applied to the Chilean and Ecuadorean HE national systems, proving its usefulness for understanding changes in the governance of HE in the LA context. The findings related to both case studies suggest four conclusions. First, the results are consistent with previous research showing the strong influence of the political, social, and economic national contexts on changes in HE governance over a given period. Second, the results show that the reforms adopted since 2018 in both countries led to opposing changes in the role of the State/Government in regulation, design, and quality evaluation. On the one hand, Chile increased regulations, reduced HEIs' autonomy and moved from a quality assurance model focused on continuous improvement to a compliance and classification system for HEIs. On the other hand, Ecuador reduces state regulation, increases HEI autonomy and shifts its quality evaluation model from a logic of compliance and categorising HEIs to a model of continuous improvement and binary (accredited/non-accredited). Thirdly, in general, both countries maintain regulations and policies aimed at strengthening the funding role of the State/Government and its role as principal. Also in both countries, a formula is used as part of the allocating mechanism for public resources and performance contracts are employed as a tool for aligning HEIs with the objectives and results expected from public policies. Fourth, the analysis of changes over the last decade shows that Ecuador has been more radical than Chile in its reforms related to the role of the evaluative State/Government. While Ecuador has swung from one model to another like a pendulum, Chile has done so gradually. Lastly, we suggest that the application of this analytical approach can be useful for studying other Latin America and Caribbean national HE systems.

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