Until the higher education reforms of 1981, Chilean higher education was composed of eight homogeneous, government subsidized universities: two of them public, three Catholic, and three secular private. Intent on expanding enrollments, differentiating the higher education system, and bolstering competition, and inspired by a “neo-liberal” economic agenda, the 1981 reform authorized the creation of new private universities and non-university tertiary level institutions (called professional institutes and technical training centers), while the regional colleges of the two public universities were transformed into 14 separate public universities.

The eight universities (publics and “old privates”) predating the reform, along with their former regional colleges and branch campuses (now numbering 25), are commonly called “traditional” universities. Aside from these institutions, another 39 universities, created after the reform, conform the “new private” university sector. They don't receive operational subsidies from the government.

On the non-university side, sixty professional institutes offer four or five year degrees in fields not reserved for universities. They can grant professional diplomas but not academic degrees. Additionally, 116 technical training centers offer two-year technical and vocational programs and diplomas. All the non-universities are private, unsubsidized institutions.

Undergraduate programs, 4 to 6 years long, are directed towards professional training, and lead to a professional diploma that entitles the bearers to practice their professions and to the academic degree of Licenciado, or only to the professional diploma in the case of the professional institutes. Technical training centers grant vocational and technical diplomas. Master’s programs are typically 2 years long, and doctoral programs have a teaching component lasting two years, plus a research component leading to a dissertation.

All institutions of higher education in Chile, private and public, charge tuition fees, which represent on average 30% of the revenues of the subsidized universities and 95% of the income of new private institutions. Overall, private expenditures account for ¾ of the 1.85% of GDP that Chile spends in higher education. Total public expenditures in higher education, science and technological development amounted to US$ 530 million in 2000.

Chile generates 0.2% of the world’s science, and 10% of the mainstream scientific literature originated in Latin America. Public and “old” private universities carry out almost all research and doctoral training, although “new” privates have made headway in these fields since the late 1990s.