



**P  
R  
O  
P  
H  
E**

## **EXTERNAL AFFILIATIONS AND DIVERSITY:**

Chile's Private Universities in International Perspective

By

**Andrés Bernasconi**

*Dean of the Law School, Universidad de Talca, Chile,  
and PROPHE Collaborating Scholar*

WP No. 4 November 2004

**PROPHE Working Paper Series**

<http://www.albany.edu/dept/eaps/prophe>

**PROGRAM FOR RESEARCH ON  
PRIVATE HIGHER EDUCATION**

# **EXTERNAL AFFILIATIONS AND DIVERSITY:**

## **Chile's Private Universities in International Perspective**

By

Andrés Bernasconi

*Dean of the Law School, Universidad de Talca, Chile,  
and PROPHE Collaborating Scholar*

PROPHE Working Paper #4

November 2004

---

**\* The Program for Research On Private Higher Education (PROPHE) seeks to build knowledge about private higher education around the world. PROPHE focuses on discovery, analysis, and dissemination. PROPHE neither represents nor promotes private higher education. Its main mission is scholarship, which, in turn, should inform public discussion and policymaking. PROPHE's Working Paper series is one vehicle to promote these goals.**

A list of PROPHE working papers and currently published papers are available online at PROPHE website <http://www.albany.edu/dept/eaps/prophe/publication/paper.html>. Hard copies of the working papers are available upon request.

### **Program for Research On Private Higher Education**

Educational Administration & Policy Studies  
University at Albany, State University of New York  
1400 Washington Ave  
Albany, New York 12222  
Fax: 1-518-442-5084; Email: [prophe@albany.edu](mailto:prophe@albany.edu)

## ABSTRACT

The expansion of private sectors of higher education has usually been regarded as a factor of diversification in higher education systems. Some of this differentiation has been associated, but without systematic study, to the affiliation of private institutions with organizations outside the field of higher education. This article reports the results of a study of this form of interorganizational relationship in private universities in Chile. Cases include universities founded or sponsored by religious, business and military organizations.

A typology of private universities is proposed, on the basis of the forms affiliation (or its absence), was observed to take in the cases examined. Weak and strong forms of affiliation are described, and affiliated universities are compared to “proprietary” universities, i.e., those owned by individuals who govern them from their positions in the board of directors, and “independent” universities, in which governance lies with internal –academic or administrative—constituents. Albeit derived from the case of Chile, the typology could be applied to the analysis of private higher education in other national systems. The second part of the article seeks to ascertain whether affiliation operates as a source of differentiation in Chilean private higher education.

Results show that, compared to the other types of private universities, the affiliated ones possess distinctive mission statements and declarations of principles, consistent with the orientations of their sponsor institutions, tend to be smaller, and tend to have more full-time and better qualified faculty. Some receive financial support from their sponsor organization or its members. Distinctiveness was not found in indicators of prestige and student selectivity, nor in tuition levels, program offerings, curriculum design, the weight of research and graduate programs in their functions, student socioeconomic profile, and faculty involvement in governance. This is not to say that there are no differences in these dimensions among private universities: much diversity exists, but most of it cuts across all categories of interest for our study.

## **1. Introduction: diversity in the growth of private higher education internationally**

The growth of private higher education worldwide, and the new forms it has adopted to carry out that expansion, has confronted scholarship with the challenge of reconsidering the theme of private provision and the diversification of higher education.

The literature on private higher education internationally shows that private higher education brings diversity, especially when compared to the public tertiary education sector, along the dimensions of finance, control, mission, and scope of functions.<sup>1</sup> We know that, in general, private universities rely on a narrower range of financial sources than publics, with tuition fees as the paramount resource. Their governance is more hierarchical, less internally democratic, responsive to a tighter array of constituencies, and freer from governmental action and political influence. Their missions are typically oriented to particular interests, niches, clienteles, or tasks. Program offerings at private universities tend to cluster around fewer disciplines than in public institutions, and rely more heavily on part time faculty, especially in developing nations.<sup>2</sup>

This public-private divide is a very clear source of diversity in the higher education system, and the one that has attracted the most scholarly attention to date. Yet, as private sectors of higher education expand, both within national systems, and globally, the question of diversity within private sectors becomes as relevant as the issue of private-public distinctiveness. The United States offers a very clear and long-standing case of private sector differentiation based, among other factors, on mix of funding and scope of functions, which allows, for instance, distinctions such as Geiger's (1986: 4), between research universities, liberal arts colleges, and urban service universities, or Altbach's (1999: 3), who, using a different classificatory scheme, sorts United States private institutions into elite research and liberal arts, religiously affiliated, and proprietary.

But different institutional profiles in the private provision of higher education are not, by any means, limited to the United States. Indeed, it seems that everywhere scholars have looked closely at a particular national system, or cross nationally at more than one system, they have found significant variability within the private sectors of higher education. For instance, examining higher education in Latin America, and looking into institutions' historical roots, patterns of governance, scope of functions, and finance, Levy (1986a) distinguishes three types of private institutions, corresponding to three waves of private sector growth: Catholic, elite secular, and demand absorbing. Geiger, in turn, in his comparative study of the private sectors of higher education in eight European and Asian countries, finds that "diversity arises naturally in private sectors from the varied purposes for which

these institutions were founded, and from the independence that private control allows in the pursuit of these ends” (1986: 241). Writing on the current situation of private higher education in Eastern Europe, Tomusk (2003: 229-235) recognizes three types of private universities in that region, according to the manner in which their founding purposes relate to their national context: (i) private universities created to challenge the remnants of the Soviet order and ideology (Soros’ Central European University, for instance), (ii) universities seeking to offer new forms of organization, or new programs and degrees (such as MBAs), and (iii) profit-seeking, demand-absorbing universities, both independent, and affiliated with public universities. Religious vs. secular, and for-profit vs. nonprofit loom large as main cleavages among private institutions in the Far East (Gonzalez, 1999; James, 1991; Lee, 1999), while in India, the key differentiating factor seems to be the uneven spread of public funding across the private sector (Tilak, 1999).

Although diversity is the predominant finding, instances of lack of diversity have also been examined and systematized (Levy, 1999; Teixeira and Amaral, 2001). First, there is the well known tendency of higher education institutions, public or private, to imitate the most prestigious universities in aspects that are deemed crucial for enhancing legitimacy. Additionally, private universities usually find suitable models in other private universities, as do publics in their peers. Thirdly, private universities may adopt organizational or functional features from private organizations in sectors other than higher education, a phenomenon much associated, these days, with the idea of privatization. Lastly, while the competitive environment of present day higher education opens new market niches that require fresh approaches to programs and services, it can also breed risk-averse strategies of survival among institutions.

Generally speaking, diversity within the private sector, as well as between privates and publics, arises from loose state regulation, very limited reliance on public funding, national policies supporting diversification in higher education (backed by the multilateral banks throughout the nineties), a decline in the legitimacy of the state and its public universities—part ideology, part “state failure,” and part, finally, public universities’ perceived inefficiency—and the ascent of alternative sources of legitimacy, and finally, of course, a diversity of goals and tasks undertaken by the private sector of higher education (Levy 2002, 2004). It is the latter impetus for diversification that this paper engages. While in the past four decades or so many (perhaps most) private institutions of higher education worldwide have emerged as individual or family undertakings, others have been created by a religious organization, a business concern, a philanthropic foundation, or other institutions whose reach extends beyond education, and for whom the university is but one of the means at their disposal to further their larger missions. This “affiliation” of a university with an organization outside of education may foster distinctiveness by supplying the university with a sense of

mission, economic resources, human talent, a set of goals and policies, a development strategy, and a source of legitimacy that comes not from the field of higher education, but from the association of the university with a socially recognized institution.<sup>3</sup> Moreover, a sponsor institution may establish more than one university, which may diverge in form or function, as a matter of design, or as a result of their evolution over time.<sup>4</sup>

These expectations of goal-based differentiation within higher education are in large measure, even if implicitly, based on theories of rational organizational behavior. Rational systems theory views organizations as tools for an efficient attainment of well defined goals. Goals direct the design of the structure, and this, in turn, is a highly formalized—i.e., impersonal—set of rules, roles, tasks, and procedures aimed at standardizing and coordinating the actions of individuals within the organization, and make them predictable and controllable, so things can get done efficiently (Aldrich and Pfeffer, 1976; Blau, 1970; Donaldson, 2001; Meyer, 1979: 481-486; Ulrich and Barney, 1984).

This approach has been increasingly challenged, in theory and empirically, by the new institutionalism in the sociology of organizations, which dispute the idea that mission, fitness of task to purpose, and deliberate adaptive response to the environment are the main guides for organizational structure and change. Instead, the critics posit that organizations lacking unambiguous goals, identifiable and measurable outputs produced through routinized procedures of coordination and control, and clearly understood relationships between those goals and the appropriate means for achieving them (i.e., a precisely defined technology), model themselves after other organizations, either because they are pressured to conform to a legitimate model by external organizations upon which the receiving organization is dependent, or because they copy organizations which they perceive to be more successful or consolidated, and thus, legitimate players in the same organizational field, or because of the standardization of norms and activities brought about by professionalization of personnel. This mimicking of rules, procedures, strategies, and structures make these “institutionalized” organizations similar in form, culture, and output, without necessarily making them more efficient. It breeds homogeneity well past the point where copying increases performance. New institutionalism predicts extensive homogeneity, brought about by “isomorphic” behavior across organizations in the same field (Di Maggio and Powell, 1983; Powell and Di Maggio, 1991; Meyer and Rowan, 1977; Zucker, 1983, 1987).

In Levy (1999, 2004) and Bernasconi (2003, 2004) the new institutionalism framework has been deployed for the analysis of diversification in private higher education, and its value affirmed as a heuristic device. It has been found that institutional influence pushes private universities, at least in some respects, to

emulate the mainstream, traditional universities, (mostly public, but prestigious privates too), or other privates, or private institutions in sectors other than higher education, as long as those model organizations are perceived as successful and legitimate, but there is nonetheless much goal-based decision making, purposeful adjustment to competitive environments, and technical rationality as well. Moreover, in line with rational behavior organizational theory, empirical findings in this field suggest that diversity is ample and growing, notwithstanding the strong institutional pressures and their isomorphic results, which makes, for instance, private universities resemble their public counterparts in many more ways one could have anticipated by consideration of their different goals and environments.

The forms affiliation might take as a dimension of a university's control structure, and the effects of affiliation upon the functions of a university, have not received much attention in the literature on private higher education and diversification. Consequently, it is necessary to turn to the scholarship on organizations for guidance. In this realm, our concept of "affiliation" seems to fall within the well established, although much broader notion of "interorganizational relationships" (Hall, 2002: 217-235). These relationships encompass a vast array of linkages among organizations, from market coordination mechanisms, such as supply contracts and supply chains, to operational partnerships (joint ventures, franchising, consortia, strategic alliances), all the way to ownership of one organization by another. In terms of the number of organizations involved, these cooperative arrangements may involve from just two organizations in a dyadic relationship, up to several organizations forming a network. We shall be concerned here with dyadic relationships, and with ownership or other similarly strong forms of linkages.

The literature on interorganizational relationships has focused, among other issues, on the types of interdependence and on the motivations or determinants of the relationships (for example, Schmidt and Kochan, 1977; Hall et al., 1977, Oliver, 1990). As our discussion of university affiliations proceeds, these research results will be called upon as necessary to illustrate relevant parallels between affiliation and the general framework of interorganizational relationships. Yet, it bears mentioning at the outset that, in spite of the ongoing expansion of the literature on interorganizational relationships, little is known of their outcomes, and more specifically, their impact on innovation (Hage, 1999:611), and on organizational diversification. Moreover, the literature on interorganizational relationships has so far paid limited attention to universities as a field for empirical study.<sup>5</sup>

With this background, this paper seeks, first, to describe and classify the forms in which affiliation expresses itself in the control structure of a private

university, a problem which has not yet been systematically studied, either in the scholarship on private higher education, or in the literature on interorganizational relationships. Secondly, we seek to expand the understanding of diversification within private sectors of higher education, by focusing on similarities and distinctiveness across the types of private universities in Chile, one of the world's leaders in higher education privatization. We examine if a university's mission and principles, functions, finances, and governance structures are influenced by the university's affiliation to a religious, business, military institution, or any other organization outside education. The main hypothesis is that if the sponsor or supporting external institution helps the university steady its course along a route consistent with its mission and goals, thus serving as a counterbalance (an anchor of sorts) to the homogenizing forces characteristic of higher education, one would expect affiliated universities to exhibit greater capacity to develop and sustain unique organizational and functional features than their non-affiliated peers. As a corollary, one would expect to find more of this capacity in strongly affiliated universities than in weakly affiliated ones.

The paper ensues according to the following structure. First, a panoramic view of Chilean private higher education is provided for context. Next, I pose the main research questions, and explain the data sources and methods. Then, I present a typology of private universities, based on the concept of affiliation, and explore its relationship to previous typologies. The topic of differentiation, along the dimensions mission and principles, scope of functions, finances, and governance structures is then broached, and the paper concludes by surveying the relevance of the results of this research for the private higher education literature, and for the scholarship on interorganizational relationships.

## **2. Private higher education in Chile**

Before the expansion of the private sector began in earnest in the 1980s as part of the sweeping privatization program of General Pinochet's de facto regime (1973-1990), the Chilean higher education system was composed of eight universities, two public and six private which, their different juridical statuses notwithstanding, exhibited a high (and quite unusual for Latin America) degree of homogeneity (Levy, 1986a). The reform process initiated in 1980, intent on expanding enrollments, differentiating the higher education system and bolstering competition, authorized the creation of new private universities, and transformed the regional branches of the public University of Chile and Universidad Técnica del Estado into fourteen independent public universities. The private sector responded rapidly, driving up the number of institutions to a peak of over 300 a decade later. During the nineties and into the first years of the new century a combination of stronger regulation, financial failure, and acquisitions trimmed

down the population of institutions by some 20% (Table 1).<sup>6</sup>

Today, there are in Chile 16 public universities, 9 private universities founded between 1888 and 1956, “old privates” in Table No. 1, and 36 new private universities established after the reform began in 1980, together with 163 non-university postsecondary institutions, all of them private.<sup>7</sup> The private sector represents 92% of the total number of institutions of higher education, and 72% of the institutions in the university sector. Private institutions enroll over 70% of Chile’s more than half million postsecondary students, with private universities responsible for over 60% of total university enrollments, one of the highest proportions in Latin America.

**TABLE No. 1: Number of higher education institutions in Chile, by type and sector: 1980-2003**

Category	1980	1985	1990	1995	2000	2003
<b>A. Private Institutions</b>	6	146	286	254	224	208
1. Universities	6	9	46	54	48	45
"Old" Private Universities	6	6	6	9	9	9
"New" private universities	0	3	40	45	39	36
2. Non-university postsecondary	0	137	240	200	176	163
Professional Institutes	0	19	79	73	60	48
Technical Training Centers	0	118	161	127	116	115
<b>B. Public Institutions</b>	2	18	16	16	16	16
1. Universities	2	12	14	16	16	16
2. Non-university postsecondary	0	6	2	0	0	0
Professional Institutes	0	6	2	0	0	0
<b>C.Total (private and public)</b>	8	164	302	270	240	224
1. Universities	8	21	60	70	64	61
2. Non-university postsecondary	0	143	242	200	176	163

Sources: Years 1980-2000: Program for Research on Private Higher Education (PROPHE), [www.albany.edu/~prophe](http://www.albany.edu/~prophe). Year 2003: Ministry of Education, Chile. Compendio de la Educación Superior: [www.mineduc.cl](http://www.mineduc.cl)

Both public and private universities established prior to the 1981 reform receive direct funding subsidies from the government,<sup>8</sup> and given their public service missions and functions they have been traditionally considered part of the public sector of higher education. Those “quasi public” private universities will not concern us here.<sup>9</sup> Instead, the focus will be on the private universities established since 1982, the “new privates” in Table No. 1. These institutions fund themselves almost exclusively through tuition fees, and their students are not eligible for government-subsidized student aid money, but they can participate in

the distribution of governmental competitive funds by winning research grants or enrolling top-scoring students. In any event, these sources of revenue are negligible for the vast majority of private universities.

Private universities must be legally established as not-for-profit organizations, and as such are exempt from income tax. All Chilean private universities are, therefore, not profit seeking as a matter of legal definition. As in other countries where private universities are required to be nonprofit, many university owners in Chile have found ways to obtain returns to their investments, without formally violating the law.<sup>10</sup>

Chilean scholarship on higher education (Apablaza and Lavados, 1988; Brunner et al., 1992; Brunner, 1993; Lemaitre, 1995) has highlighted how the differences in finances, juridical status, and regulatory environment between public and private universities have resulted in organizational diversity between the two sectors. Little attention has been paid to potential diversity within the private sector, partly because of the glaring similarities in the most ostensible features of privates: absence of a research function, reliance on part time faculty, verticality of command, emphasis on teaching programs not requiring expensive equipment or infrastructure, and the like.

However, after 20 years of development a few private universities are managing to set themselves apart from the stereotype. They have opened programs in the natural sciences all the way to the doctoral level, invested heavily in infrastructure and equipment, opened Medical Schools, and housed small, full-time research teams (Bernasconi, 2003).

One of the few studies of private universities in Chile using primary sources is Pésico and Pésico's (1994). Their survey-based research finds great heterogeneity within the private sector, in terms of institutional size, infrastructure, equipment, tuition fees, admission requirements, faculty credentials, and numbers of administrative staff. This study, albeit important in its major finding about intrasectoral diversity, and interesting in its use of primary sources, lacks an exploration of possible sources for this heterogeneity. Therefore, we don't know whether such diversity is a result of design, chance or, more likely, different stages of maturity in the development of the surveyed institutions. A more recent study of the academic profession in Chile (Bernasconi, 2003) comparing faculty recruitment, appointment, workload, evaluation, and compensation, in public and private universities, finds that rational organizational behavior and diversity predominates in intersectoral comparison and also within each sector (public and private).

### **3. Research questions, data, and methods**

The main research questions are 1) *What are the organizational forms through which private universities establish linkages of dependence with institutions outside higher education?*, and 2) *Is the affiliation of private universities to external organizations a source of diversification in the missions, governance structures, and functions of private universities?*.

To identify a workable subset of private universities likely to fit the notion of an affiliated institution, a questionnaire was mailed to eight scholars, university officials and civil servants knowledgeable about Chilean private universities. Recipients were asked to check from the list of all private universities in Chile, those which they believed were linked by ownership, shared governance, or sponsorship, with another institution, and those which they believed to be free of such relationships. Thirteen universities were marked in the first group by five or more respondents, while four were assigned by four or more experts to the second group. Other universities received fewer mentions in either group.

The second stage consisted of a study of the legal documents (articles of association, bylaws, and governmental licenses) of the seventeen universities thus selected to investigate the exact nature of their postulated relationship with an external organization. This process narrowed down the group to the final list of eight affiliated and two non-affiliated universities reported here.

The existence of affiliation is taken as the “independent” variable, and the “dependent” variables are the universities’ mission statements, governance structures, funding patterns, and functions. Archival research on mission statements, catalogues, advertising material, and websites, were combined with interviews, in the universities which accepted our visit,<sup>11</sup> with board members, rectors, vice-rectors, and deans, to clarify the characteristics of the institution’s affiliation, and seek evidence of its influence on its organization and functions.

### **4. A typology of private universities**

From the point of view of their juridical organization, as expressed in their articles of association, bylaws, and other legal sources, the 36 private universities in Chile can be sorted into three types of control structure (or “ownership”, writ large):

- a) *Affiliated*. Some private universities were established by one or more sponsoring institutions, who defined the university’s mission and governance structure, and retained ultimate control over the university through their sole or majority participation in the governing board. A few others were created

by individuals who, albeit placing themselves or their appointees in control of the university, agreed to relinquish part of their authority in favor of another institution called upon to strengthen the institutional support of the university or to assume some form of tutelage over the university's fidelity to its founding principles. I have identified eight universities in this category, which I shall call "affiliated." They constitute the main focus of this study.<sup>12</sup>

- b) *Proprietary*. A second, much larger group, is composed of universities founded by individuals, and controlled solely by those same founders, or their appointees or successors. These universities I shall call "proprietary," although no implication about profit motive is intended with this designation. As stated above, all private universities in Chile are required by law to organize themselves as not-for-profit, tax-exempt organizations. Some of them are also, in practice, not for gain, but the majority are profit-oriented, either exclusively, or concurrently with other, less materialistic goals. But whatever they may be and do, it is the owners who decide, and in that sense they are "universities with owners," or proprietary universities. Universities in neither the affiliated category nor in the following one, can be said to fall into this category.
- c) *Independent*. Lastly, two private universities originally belonging in the proprietary, not-for-profit group, evolved into a different power configuration which sets them apart from the other two groups and can only be conceptualized as a third type of control structure. In these universities power is generated from within the organization, and the governing board in controlled by internal parties. These universities I shall call "independent."

Therefore, for the purposes of this study, a university is considered to be affiliated in the following cases: a) **STRONG AFFILIATION**, when the external organization appears in the articles of association and other foundational legal documents of the university as a founder of the institution or as a member of its governing board; these are cases in which the university is totally or partially "owned" by the external organization. b) **WEAK AFFILIATION**: cases of a formal relationship between an external institution and the university whereby, as a minimum, a sponsoring, tutelage or advisory role has been conferred upon the external organization by the governing bodies of the university.

As noted above, concepts of affiliation similar to these have been broadly used in the study of private higher education to refer to colleges and universities associated with religious organizations, but not to refer to an organic relationship between a college and some other type of institution (philanthropic, business, military, etc.).

Strong affiliation corresponds to what Longest (1990:21), writing about interorganizational linkages in the health sector, calls *co-opting*: the placing of

representatives of one organization in the governing board of another. More generally, the phenomenon has been studied in the business sector under the banner of “interlocking boards of directors” (Hall, 2002:230-234). In the case of our notion of strong affiliation, however, the control by another organization of the university’s board is a manifestation of an ownership relationship, not just a strategic move. Weak affiliation, in turn can be considered as a form of *coalescing*, defined by Longest (Ibid.) as “the partial pooling of resources by two or more organizations to pursue defined goals.” This form of loose coupling between organizations allow them to maintain their identities and functional autonomies, while ensuring a stability of relationships above and beyond what market transactions may procure. Strong and weak affiliation can also be understood as two degrees of “relationship magnitude,” a construct proposed by Golicic, Foggin and Mentzer to denote “the extent or degree of closeness or strength of the relationship” (2003:61) between two organizations. The notion of affiliation proposed here requires that the sponsoring entity be an organization, not just an array of interests, a social class, or a social movement. Thence, while many private institutions see as their essential mission to prepare their students for a job, we would not consider them affiliated with the firms that hire their graduates. Similarly, although public universities created in Latin America in the nineteenth century sought to affirm the idea on a nation, we would not consider them affiliated with nationalism. More generally, our concept of affiliation requires much more than the engagement of an institution with a cause, or accountability to a set of external constituencies. It requires, in its strong form, ownership and control, and formal tutelage or sponsorship in the weak form, and in any case the controlling or sponsoring entity must be an organization, thus capable of purposeful action.

Within the much larger group of non-affiliated universities, the focus is on the polar opposite of the affiliated group: what I shall call “independent” universities. In these universities, as it will be explained in greater detail below, power is generated from within the organization, and the governing board is controlled by internal stakeholders. Although only two private universities fit this type in Chile, they matter here inasmuch as they epitomize non-affiliation (and as cases that may be more common in certain other countries), and will therefore serve as a “control group.” Whatever characteristics are hypothesized about affiliated institutions by reason of their affiliation, ought to be found missing, or much more diluted, in their opposites.

The bulk of private universities in Chile are neither affiliated nor independent. They are owned by individuals who govern them from their positions on the board of directors and sometimes also from executive positions inside the organization. In this sense, they can be considered “proprietary”, although the designation does not necessarily entail a profit-seeking motive. We will not examine them on a case-by-case basis given that their type has been relatively more studied

the recent international literature on private higher education (Altbach, 1999; Balán and García de Fanelli, 1997), and that this paper is concerned rather with the consequences of affiliation. Proprietary institutions will be considered as a reference, but mostly in their aggregate functional features as manifested in national statistics on faculty, students and programs, with only a few cases subject to individual analysis.

This use of “independent” and “proprietary” deviates from United States convention, where “independent” is sometimes synonymous with private, and proprietary is commonly associated with for-profit. The deviation is justified, for not every private institution is independent, certainly not in Chile, as this papers shows, and likewise not in other countries with new private institutions, but not even in the United States, although the limits to independence are more salient in nations where regulation of conflicting interests is not as developed as in the United States, which is to say, pretty much everywhere else. And then, conceptually speaking, not every institution with a proprietor has to be for profit. It all depends on the intentions of the proprietor. Moreover, the ideas behind the concepts of affiliated, proprietary and independent are easily comprehensible, even if under other names, as when Altbach, explaining the ownership structure of private institutions, writes (1999:6, text within brackets, added):

In some cases, the university is “owned” by a sponsoring organization [affiliated], in other by the academic staff and administrators [proprietary, if owned by administrators], and still in others by boards of trustees or governors that may be partly composed of academics or may be dominated by outsiders.

This is, to the best of my knowledge, a novel categorization of private higher education institutions, both for Chile, and internationally. While it resonates with Levy’s (1986a) widely accepted three waves of establishment of private institutions of higher education in Latin America (Catholic, elite secular, and demand absorbing), or more generally, religious/cultural, elite, and non elite (Levy, 1992) ours deals with a portion of private higher education that chronologically corresponds basically to Levy’s demand absorbing wave. In this sense, it seeks to capture more recent developments in the evolution of private higher education. In terms of its relationship with the structure of the higher education systems, the typology offered here would correspond to Geiger’s (1986) “mass” private sector, but his is a typology of sectors, not institutions, and does not follow a basic time sequence of sector evolution. Geiger does offer a similar trilogy when writing about the Philippines: proprietary, sectarian, and nonprofit (1986:6), where “sectarian” could stand for “affiliated” (although affiliated is preferable because it sounds more value-neutral), but “nonprofit” cannot stand for “independent” without disfiguring the content of the latter concept.

Secondly, while Levy's categorization is based on multiple factors related to causes of growth and main driving forces, which lead to certain patterns in function, governance, and finance, and Geiger fuses the criteria of profits with the notion of service to a sectarian interest, the typology offered here is based on a single classificatory variable, control structure, which seems to be essential for private institutions anywhere, and offers a premium for parsimony and universality, even if at a price in breadth.

Finally, classificatory categories currently employed in the literature on private higher education often overlap, and are usually country- or region-specific; for instance:

- a) elite universities, non-elite universities, and non-university postsecondary institutions, mostly applied in Latin America (Balán and García de Fanelli, 1997; Castro and Navarro, 1999; Cosentino de Cohen, 2003; Kent and Ramírez, 1999, Levy 1986a);
- b) for profits vs. non-profits, where profits are legally authorized, as in Malaysia, the Philippines, Thailand, or South Africa (Lee, 1999; Gonzalez, 1999; James, 1991; Levy 2003);
- c) and religious vs. secular institutions, in Latin America, the Philippines, Thailand, Indonesia, and potentially in any country where important religious cleavages exist (Gonzalez, 1999; Levy 1986a).

The classification proposed here adds to those above, enlarging the analytic toolkit with a set of categories that appears to be readily suitable to empirical deployment cross nationally.

### **Affiliated universities**

As anticipated above, two forms of affiliation can be discerned from the foundational documents of Chilean private universities. The "strong" form consists of the establishment of the university by its sponsor organizations, who retain control over it through their sole or dominant participation in the university's governing board.<sup>13</sup> The five cases are:

- *Universidad Adventista*, **UAD**, created in 1990 by the Chilean branch of the Church of the Seventh Day Adventists, and presently controlled by that church and an Adventist social services agency called AADRA.
- *Universidad Católica Cardenal Raúl Silva Henríquez*, **UCSH**, established in 1990 by the Chilean Catholic Conference of Bishops, which in 1993 invited the

Salesian (St. Francis de Sales) Congregation to join in as a partner in the ownership of the university.

- *Universidad Alberto Hurtado*, **UAH**, created in 1996 by the Society of Jesus (the Jesuits), together with 3 Jesuit educational foundations, and seven Jesuit priests.
- *Universidad Marítima de Chile*, **UMAR**, created in 1990 by the Chilean Navy through its Chief of Staff and the Navy's educational Carlos Condell Foundation.<sup>14</sup>
- The *Universidad Adolfo Ibáñez*, **UAI**, founded in 1998 by the Adolfo Ibáñez Foundation and the Alumni Association of the Valparaíso Business School (a predecessor of the university), is perhaps the less clear cut case of affiliation, for its founding institutions have in their role in the establishment and running of the university their practically unique missions, and their reasons of existence are much more completely absorbed by the university than is the case with the sponsor institutions of the other affiliated universities. However, UAI merits inclusion in this group because the Adolfo Ibáñez Foundation is the philanthropic arm of the Ibáñez family of businesspeople and main shareholders in one of Chile's largest chain of supermarkets. In brief, UAI is affiliated with a business holding. At least one member of the Ibáñez family is always on the Board, and family members have also been rectors of the university.<sup>15</sup>

The three examples of the “weak” form of affiliation, in turn, are:

- *Universidad La República*, **ULR**, organized in 1988 by a group of members of the Great Lodge of Chile, the national organization of the Chilean Freemasonry. Part of its articles of association read as follows:

The Great Master of the Great Lodge of Chile is the patron of the *Universidad La República*. The patron represents the existence and immutability of the socio-ethical ties that link the *Universidad La República* with the Chilean Masonic Order, and in such position, it is his responsibility for supervising the university's continuous fulfillment of its purposes, and for keeping and fostering those links for the benefit of the noble goals that inspire both institutions (art. 5, articles of association).<sup>16</sup>

For someone to elect or be elected to the fourteen-member Board of the university, he has to be an active member of the Great Lodge of Chile. Currently, the rector of the University is also the Great Master of the Great Lodge of Chile, but this is not mandatory according to the university's bylaws.

- *Universidad de los Andes*, **ULA**, established in 1989 by a group of individuals who were members or sympathizers of the Catholic organization *Opus Dei*, who stated in the articles of association that:

By accord of the organizers the Prelature of the Holy Cross and Opus Dei has the moral responsibility over the Christian education which will be offered to all members of the university, and will provide spiritual care for all who would freely require it.

The individuals who organized the university became its first board, with the obligation to replace two of its members every year.

- *Universidad Finis Terrae, UFT*, started out as a proprietary university in 1987. After twelve years of operation the owners, facing the need to ensure the continuation of the university past their lifetimes, and to secure the economic backing to sustain its growth over the long run, decided to let the Legion of Christ, a Roman Catholic congregation, into the ownership of the university in exchange for the economic contribution necessary to fund the university's physical plant development. As a result of this agreement, in 1999 the Legion of Christ acquired the right to appoint 12 of the 24 members of the Board, while the other seats remained in control of the original founders.

UFT's affiliation cannot be considered a case of the strong form inasmuch as the power of the sponsor organization is shared with a group of individuals who are not members, and not necessarily sympathizers, of that organization. The Legion of Christ, unlike the Navy or the Jesuits with their universities, needs to reach agreements with their partners in UFT to exert their power over the institution. The strongly affiliated universities, on the other hand, are totally controlled by one organization.

The predominance of religious linkages among affiliated universities is notable, but I shall refrain to attempt explanations which would take us far beyond the scope of this paper. However, it is clear that Chile reflects a theme emerging from the contemporary study of private higher education, namely, the new wave of religious institutions, which not only cater to the dominant religion, as in the past. In this sense, religious affiliation can be seen as more pluralistic than before, for there are more institutional options for the diversity of the faithful, but perhaps less pluralistic as well, for this niche fragmentation could lead away from the "big tent" mentality towards which religiously inspired universities evolved over time, as their religious mission declined, and distinctiveness receded.<sup>17</sup> The new religiously affiliated institutions are much less important to their national systems than their predecessors of yesteryear, but the half-life of their niche distinctiveness might hold for longer, maintaining over time the intrasectoral diversity they brought with their inception. It shall be interesting then to see if the new religiously affiliated privates maintain their affiliated profile in the years to come.

## Proprietary universities

Proprietary universities are a variegated category. As has been observed in other cases of private growth, some were organized by professors from public universities, others by owners of proprietary secondary schools seeking to prolong and elevate their educational endeavors, many were established on the basis of a pre-existing non-university postsecondary institution, others respond to their founder's desire to propagate their ideological or political visions, and probably a majority are business operations covered by a layer of academic pursuit of varied degrees of thickness.

Good examples, from opposite sides of the political-ideological spectrum, are *Universidad ARCIS* and *Universidad del Desarrollo*. ARCIS leaders explained to me how the university was founded in the early eighties by a group of leftist intellectuals, artists, and professionals, as a shelter of sorts for academics harassed for political reasons in the Pinochet-era public universities. Its program offerings emphasize the fine arts, philosophy, and the social sciences, and it includes several masters' programs with enrollments of 1,800 and a doctorate offered jointly with a French university. Leaders of ARCIS are proud of the experimental, iconoclastic nature of some of their approaches to teaching, especially in the Arts. The university has a powerful single union for faculty, clerical, and administrative personnel, and elected representatives of the faculty, students and staff participate in school and university-wide governing bodies. Property of ARCIS is diluted among 40 shareholders, all of which are prominent members of Chile's progressive intelligentsia. According to administrators, its close to 5,000 undergraduate students choose ARCIS lured by the "alternative" flavor of its programs, the downtown location of the campus, and its relaxed discipline.

Universidad del Desarrollo (**UDD**) was originally established in 1989 in Concepción, Chile's third largest city, by a group of six businessmen, some of which then had prominent positions in Pinochet's government and later became relevant figures in one of Chile's right wing political parties. Legal documentation shows that the six original founders remain in the ownership and control of the university, two of which are also chief executives of a large business conglomerate, *Grupo Penta*, with interests in banking, insurance, real estate and HMOs. In 1999, by purchasing and taking over the campus of a failing university, it opened a branch campus in the upper class suburbs of the capital city of Santiago. With close to 6,000 students in its two campuses, and over 200 students in its MBA programs, UDD advertising caters the private schooled, upper classes with an emphasis on the development of entrepreneurial skills in all of its study programs.

Another form of control in proprietary universities is represented by the two Chilean universities owned by Laureate Education, Inc., formerly Sylvan Learning Systems, Inc., a United States based for-profit, publicly traded company with universities and schools also in the United States, Switzerland, Spain, France, and Mexico. One of Sylvan's Chilean universities, *Universidad de las Américas*, **UDLA**, is the country's largest private, with close to 16,000 students in four campuses in Santiago and one in the Southern city of Concepción. Its advertising campaign stresses the purpose of serving the working adult population, but enrollment statistics show that only one-third of its students are enrolled in evening programs. The fact that half of UDLA's students in 2003 were freshmen reflects its massive growth in the years since its acquisition by Sylvan in 2000, aided by an open admissions policy which requires nothing else than a secondary diploma. This is a teaching only institution where programs are run with no full-time faculty other than a slim administrative staff, and where rapid growth in its middle-class campus locations has led to low qualifications requirements to join the teaching staff. Focus groups of freshmen classes reported to me in other universities indicate that UDLA is viewed as a "supermarket" university.

In the last ten years, six proprietary universities have been put out of business by financial collapse, merger, acquisition, or a combination thereof. Several others have seen new owners take charge.<sup>18</sup> This, and the reciprocal denunciations of "other" private institutions one hears at private universities, suggest that economic gain is not alien to the motives of the owners of at least some of these institutions. But the single-minded pursuit of profits often decried by the critics of private higher education is a simplistic and misleading characterization of the sector as a whole. For sure, some universities are said to be run just like large business corporations, and to have generated enormous gains for their owners when they have sold them, or through their real estate companies and other for-profit firms providing services to the university. Indeed, according to officials in independent universities, whether a university owns its buildings or rents it from other companies is a close proxy to profit-seeking motive. But many others are more like small family-run concerns, or part of ideological causes, and not a few are inspired mostly by *bona-fide* educational goals, while most would recognize in a mix of motivations their true impetus.

### **Independent universities**

Universidad Diego Portales, **UDP**, was established in 1982, as one of the first three private universities created after the 1981 reform, by seven individuals, six of which took positions on the Board and the remaining one became the rector of the newly formed university. However, instead of keeping membership in the university to

themselves the founders invited others to join in. By 1983 the university already had 32 shareholders. Neither the founding members, nor the others who joined in subsequently, conceived of the university as their property. There were no real estate firms associated with the university, and it owned all of its infrastructure. To make this feature clearer and irreversible, the founding members of the university and their associates decided in 2002 to turn the university into a foundation, endowed with the university's assets. Shareholders relinquished their nominal interests in the university and a self-perpetuating Board was conformed to govern the institution, instead of a shareholder's appointed Board. A new amendment, passed in 2003, seeking to bring the Board in closer alignment with management, gave voting seats in the Board to the Rector, the Provost, the two Vice-rectors and the Secretary General of the university.

The case of *Universidad Central, UCEN*, was more dramatic: of the nine original members, already senior at the time of foundation in 1983, all but two had died by 2000. A succession crisis ensued, with various internal groups vying for control of the Board. The solution came in 2002, with new articles of association giving the power to name the board to the two remaining founding members, together with two faculty members per school, elected by their peers.

In both cases power comes from within the university. In the case of UCEN, from the faculty. In UDP from the senior administrative staff, in a sort of mandarin rule. For the purposes of this analysis what matters is that there are no owners, or external stakeholders, in either one. I did not find other private universities fitting this profile in Chile.

The relevance of independent universities for the private higher education system outweighs their number. For one thing, it is significant that two of the oldest three privates have gone this way in their quest for institutionalization. Unlike UFT, facing the dilemma of preservation beyond the founder's lifetimes they decided not to affiliate themselves to a permanent institution, but to turn themselves into a permanent institution by severing all ties with the original founders and ensuring a continuous replacement of the governing board, either by election by the faculty (UCEN) or self-generation (UDP). Secondly, as proprietary universities founded in the late '80s and early '90s approach their twentieth anniversary during this decade, the question of perpetuation will likely emerge as well in them as it did in their older peers. Indeed, it is only a matter of time before the deaths of the founders make the matter urgent, even if the debate only takes place inside the institutions and remains alien to public policy debate and national governmental action. Given that only so many universities can be sold to new proprietors, or handed over to sponsor institutions, the most likely route to institutionalization will be independence. UDP and UCEN may be harbingers of things to come in private higher education, in Chile and beyond, and in this sense they are worth studying.

## **5. Does affiliation contribute to diversity in Chilean private higher education?**

The study of private higher education in international perspective has identified the dimensions along which private institutions are different from public ones (Altbach, 1999; Levy, 1986a, 1986b, 1987, 1992). These are mission (more oriented to particular sets of values or ideology), scope of functions (narrower, more specialized, in privates, with fewer fields of study and weaker research), size (smaller), funding (dominantly private), governance (more autonomous of government, more centralized and hierarchical, accountable to a tighter array of constituents, and with weaker faculty participation), clientele (more homogeneous), and geographical location (more restricted to main cities).

Since the literature does not provide such well-defined and empirically derived lists of dimensions in which privates may diverge from one another, the previous set of dimensions, good enough for intersectoral contrast, seems like a good starting point for intrasectoral comparisons too. Moreover, if affiliated institutions are, as hypothesized at the outset for this paper, capable of resisting the isomorphic pull of the public and other private institutions, on account of the protection that the sponsor organizations grants them, then one would expect that such resistance show in matters of such importance to a university's identity and performance as those listed above.

I will therefore compare affiliated universities with independent and proprietary ones along the dimensions of mission and principles, size, scope of functions, finances, governance structures, study programs, and student and faculty make-up, making use of the variables for which data could be procured, either through review of documents, interviews, or public information.

### *Declared missions and principles*

Every private university in Chile has as its mission statement the universal boilerplate about serving society through the creation and cultivation of knowledge through research, its dissemination through teaching and extension, the granting of degrees, etc. The question here is whether, in addition to these common declared mission elements, the universities under analysis exhibit peculiar traits in their stated missions.<sup>19</sup> Such is indeed the case in the affiliated sector. Among strongly affiliated universities, those with a religious sponsor exhibit the strongest and most distinctive statements of mission. The Jesuit UAH's, for instance, states that the university will:

Seek especially to promote the influence on Christian thought in Chilean and Latin American societies, and through research and the debate of social problems and the education of professionals and social scientists combining a strong ethical vision with academic achievement, it will elaborate and disseminate the Church's social doctrine, projecting it in its research and teaching, and applying it to the emergent reality of Latin America (art. 4, articles of association)

UCSH—the university of the Catholic Conference of Bishops and the Salesian Congregation—stresses service to the poor, the improvement of the social reality of the world, the integration of faith and culture, and an education firmly grounded on a Christian conscience and a sense of social solidarity. The articles of association of the Adventist University, UAD, in addition to emphasizing the role of the university in spreading the moral and religious principles of the Adventist church and instilling in students a Christian attitude of service and a willingness to follow the teachings of Christ, speak of an attitude of inquiry which takes into consideration both the data provided by scientific research and human reason and the knowledge entrusted to men through the Revelation. The study of the Holy Scriptures, the text adds, must be part of the curriculum of every study program.

The Navy's *Universidad Marítima*, in its special orientation to the development of the national maritime interests, and a maritime culture and conscience in accord with the values and traditions of Chilean culture, also proclaims a distinctive mission.

*Universidad de los Andes*, in a formally weak affiliation with the *Opus Dei*, is nonetheless very clear about its Catholic identity: one of its specific goals, mentioned in its articles of association, is to

elaborate an organic and universal synthesis of human culture integrating the dispersion of the disciplines in a radical unity of truth illuminated and supported by the Catholic faith.

In the case of the Masonic *Universidad de La República*, one can find some of the telltale keywords of the Order in the articles of association (art. 4), where the role of the university in teaching is described as concerned with bringing out the fullest development in students to make them human beings with integrity, culture and solidarity, tolerant and freethinking.

Nothing distinctive of this sort can be found in the foundational documents of *Universidad Finis Terrae*, even in those generated as a result of the incorporation of the Legion of Christ Catholic Congregation. Quite to the contrary, the founding members of the university had its sponsor organization accept in the partnership

agreement that the basic orientation of the university, characterized as open, pluralistic, tolerant, and respectful of people and their ideas, would be preserved, a commitment which, according to one of the founding members I interviewed for this study, has been fulfilled.<sup>20</sup>

Independent universities, on the other hand, lack any distinctive elements in their mission statements, a feature that they share with the vast majority of the proprietary sector. This does not mean they are devoid of a discourse about their unique identity, only that it is not handed down by the sponsor organizations or the owners, but generated from within the university, and subject thence to periodic revisions and adjustments. *Universidad Diego Portales* (UDP) and *Universidad Central* (UCEN) see themselves as non-sectarian, independent, and pluralistic, and chiefly concerned with making contributions to public affairs through research applied to social problems and the education of civic-minded professionals. Their leaders are very aware of the uniqueness they possess as universities independent from economic, religious, ideological or political interests, and they have articulated their senses of mission around this status.

These findings are consistent with the hypothesis of the study. Affiliated universities seem to find in their sponsor organization the legitimacy they need to bring forth distinctive concepts of mission, even as these may restrict the appeal of the organizations over a larger audience.<sup>21</sup> Independent UDP and UCEN lack declarations of principle, and not coincidentally, see themselves, according to what their leaders told me, as the most socially, politically, religiously and ideologically diverse and pluralistic of the private universities. UCEN thinks of itself as a follower of the lay and pluralistic tradition of the University of Chile, while everyone in the leadership UDP says, proudly, that they are the most public of the private universities, in their pluralism and openness to the mores of the nation. Both universities see a niche for them in applied research for contributing to solve the social needs of the country.

If private “missions tend to be narrower than public ones” (Levy, 1987: 265), then the missions of these independent private universities seem to be much closer in scope to their public counterparts than to the affiliated privates.

How much of these mission statements and declarations of principles actually translate into function? Are affiliated and independent universities different in program offerings, governance, and faculty and student body make-up, as they are in their discourses about themselves? I now turn to that question by examining and comparing first the size and scope of the functions of Chilean private universities, especially those in the affiliated and independent categories, and turning next to finance, and governance.

### *Size and scope of functions*

Although comparisons to independents are to be taken cautiously, given that there are only two universities fitting that category, on average, affiliated universities are smaller than independents, when size is measured by total enrollments, number of program areas, and number of degree programs (Table No. 2). Interestingly too, weakly affiliated universities are larger than their strongly affiliated peers, and independent universities are larger than the average for proprietary institutions. Officials in four of the affiliated universities told me they did not envision their institutions growing over four or five thousand students, because their educational projects were not intended for a mass clientele.

Again, these findings replicate for the affiliated vs. independent divide, what we know from the literature about differences in size and scope between privates and publics, and is consistent with the theoretically derived proposition that affiliated privates, unlike independents and proprietary institutions, are willing and can afford to remain small and focused on narrower clienteles and tasks, on account of their external support, since their strength lies more in depth than in breadth, a strategic orientation also documented for private educational institutions vis á vis public ones.

**TABLE No. 2: Size of Chilean private universities, measured by total enrollments, program areas and total number of degree programs. Year 2002**

<b>Affiliated universities</b>	Enrollments	Program areas	Number of programs
<i>Strongly affiliated</i>			
UCSH	4,124	3	16
UAI	3,760	7	7
UMAR	1,130	7	10
UAD	1,012	6	22
UAH	904	5	10
Average size	<b>2,186</b>	<b>5.6</b>	<b>13.0</b>
<i>Weakly affiliated</i>			
ULR	3,819	7	15
ULA	3,057	7	12
UFT	2,740	7	15
Average size	<b>3,438</b>	<b>7</b>	<b>14</b>
<i>Total affiliated</i>			
	20,546		
Average size	<b>2,568</b>	<b>6.4</b>	<b>13.4</b>
<b>Independent universities</b>			
UDP	9,528	8	30
UCEN	6,441	7	18
<i>Total independent</i>			
	15,969		
Average size	<b>7,985</b>	<b>7.5</b>	<b>24</b>
<b>Proprietary Universities</b>			
	128,889		

Source: Consejo Superior de Educación. INDICES database.

Note: Program areas are eight, and they roughly represent the broad fields of knowledge according to UNESCO's classification.

Certainly, much of this difference in size can be traced back as well to different stages of maturity. Independents UDP and UCEN happen to be two of the three oldest private universities, and they have had, by consequence, not only more time to grow, but a competitive head start and easier conditions to develop throughout the eighties, until the proliferation frenzy of the last days of the Pinochet regime (1990) cluttered the market with dozens of new universities. However, for both UCEN and UDP the period of greatest expansion of program offerings, regional campuses, and enrollments generally, followed their "conversion" to independent institutions a few years ago. Moreover, the contrast with *Universidad Gabriela Mistral*, the third in the original group of three pioneers, with total enrollments of 2,712 in 2002, four program areas, and 14 degree programs, suggests that the size difference between independents and affiliated cannot be attributed solely to date of establishment. Also, there are at

least four proprietary universities larger than UDP. And finally, some of the affiliated are really small, among the smallest private universities in Chile, so small in fact that it is quite possible they would not survive were it not for their affiliation, as the fate of three proprietary universities similar in size and no longer in operation suggests.

The cases of the Catholic Bishop's and the Salesian Congregation's UCSH, and the Masonic-affiliate ULR tend to confirm the hypothesis of external institutional support as a substitute for size. The two universities depend on institutions from which they can get only limited support, little of which in the form of money. Since their support is weaker, they need to grow in enrollments, and in the case of ULR, as Table No. 3 shows, also in number of campuses, and quite dramatically so.

How do affiliated and independents differ in the scope of their functions vis á vis prestige, student selectivity, faculty make-up, research capacity and output, graduate programs and location?

**TABLE No. 3: Scope of functions of Chilean affiliated and independent private universities. Year 2002**

	Place in Ranking (2003)	% top scoring students in freshmen class	Faculty headct.	% FT faculty	% faculty with graduate degrees	Research projects	Publications	%students in doctoral programs	%students in master's programs	Campuses
<b>Affiliated Universities</b>										
<i>Strongly affiliated</i>										
UAI	5	63%	315	33%	69%	1	7	0%	20,3%	3
UAH	22	45%	244	24%	73%	2	0	0%	12,1%	1
UCSH	43	3%	315	26%	37%	1	0	0%	0%	1
UMAR	48	0,3%	298	8%	39%	0	0	0%	3,10%	1
ADV	59	0%	73	58%	n.a.	0	0	0%	0%	1
<i>Weakly affiliated</i>										
ULA	11	62%	667	25%	59%	3	35	0,7%	1,3%	1
ULR	38	3%	600	3%	18%	0	0	0%	0%	8
UFT	19	41%	584	11%	46%	0	0	0%	0%	1
<b>Independent Universities</b>										
UDP	8	42%	1280	18%	38%	3	3	0%	5,6%	2
UCEN	21	30%	1249	9%	31%	0	1	0%	1%	3

Sources: *Qué Pasa. Examen a las universidades chilenas.* Dic. 2003, except for ULR's faculty headcount, and number of campuses, which come from *Consejo Superior de Educación, INDICES* database.

Notes: a) Data is for the year 2003, except percent of top scoring students, which corresponds to the 2002 freshmen class. b) Top scoring students in "Percent of top scoring students in the freshmen class" are those obtained the 27,500 highest scores in the 2002 national standardized test for admissions to the university. c) FT faculty includes faculty with full-time and half time contracts, and all cases in between. d) Graduate degrees in "% faculty with graduate degrees" include master's and doctoral degrees. e) "Research projects" are only peer reviewed proposals funded by the National Research Fund or a governmental R&D agency. f)

“Publications” only include articles published in the previous three years in international peer-reviewed journals indexed by the Institute for Scientific Information.

The *Qué Pasa* newsmagazine 2003 ranking of prestige<sup>22</sup> has strongly affiliated UAI, weakly affiliated ULA, and independent UDP within the top 20%. This top group also includes one proprietary university (all the others are public or old private institutions). Among the strongly affiliated group there are as many universities in the top half of the ranking as there are in the bottom half. In the weakly affiliated group, ULA and UFT do relatively well, but not ULR. A possible explanation is that the position of the affiliated universities the ranking reflects the prestige of its sponsor institution, but if that were the case the Jesuit UAH, the Navy’s UMAR, and the Bishop’s UCSH would likely rank higher in a country that is very fond of its Catholic tradition and institutions, and has great respect for its Navy. In conclusion, prestige, as measured by its rankings proxy, seems not to have much relationship with affiliation.

Student selectivity is likewise all over the place. One cannot say that affiliated institutions are more selective as a group than independents, while the opposite statement seems not to square with the data either. But affiliated and independents do better in this indicator than proprietary universities. For one thing, the three most selective proprietary universities show figures of 34.1%, 22.8%, and 14.2% respectively. More crucially, out of the eight private universities appearing in the group of the 20 most selective universities in Chile, six are either affiliated or independent, and only two are proprietary.<sup>23</sup>

When it comes to faculty dedication and qualifications, affiliated universities show higher percentages of full-time faculty, and faculty with graduate degrees, than independent universities. This difference, however, can also be connected to the size of the faculty body, twice as large in independents as the largest faculty staff in an affiliated university. In a higher education system where faculty with graduate degrees are still a minority, and funding only through tuition makes it impossible to hire large groups of full time staff, it is impossible for larger universities to maintain large percentages of dedicated and qualified professors. But it is also true that in the cases of ULA, UAH, UAD, UMAR, and UCSH, through, respectively, the *Opus Dei*, the Jesuits, the Adventist, the Navy and the Salesians, with their networks of schools, universities, and other centers of study, and larger “families” of believers in the institution and its cause, it is somewhat easier to recruit or train the necessary academic cadres. Thus, ULA counts on highly educated members of the *Opus Dei* to devote much of their time to the university for little pay, UAH likewise relies on the discipline of a good number of Ph.D. priests and the good will and alumni of the Jesuit schools, UMAR has Navy officers from the Naval War Academy and the Polytechnic School to help, and so on. Here, again, affiliation marks a difference, by giving the

university a support network at its service. It bears mentioning that these faculty indicators in affiliated universities are much higher than typical figures for proprietary universities.<sup>24</sup>

Research and doctoral programs remain elusive in private higher education outside the elite private universities in the United States, and this condition shows in the figures above (see Table No. 3). Only UAI, UAH, ULA among affiliated universities, and the independent UDP evidence some limited research capacity. However, these are not the private universities with the largest research output. There are at least five proprietary universities with more projects, publications or doctoral programs than one or more of the universities in my selection. ULA ranks first in publications, and is the only one among the affiliated and independent universities to have a doctoral program, but is trumped by proprietary *Universidad Andrés Bello*, both in research projects and doctoral programs. Based on this data no conclusion of research distinctiveness of affiliated universities compared to independents, and of affiliated and independents compared to proprietary institutions, can be sustained.

Aware of their limitations for supporting scientific research, most universities in my selection have turned to applied research, by which they mean research to improve policy, as their only realistic space for research. UDP has most notably made good on this notion through the active participation of its Law school in recent legal reforms. The contribution of the others is still more a challenge for the future than a reality.

In the case of master's programs the status of UAI and UAH are telling in their similarity. They are by far the private universities of any kind with the largest proportion of students enrolled in master's programs. In both cases, the reason is historical. UAH has its roots in ILADES, a freestanding graduate school founded by the Jesuits in the sixties, and later absorbed by the new university. In the case of UAI, the graduate business school predates the university by ten years. Both universities came to life with a strong reputation for graduate education at the masters' level.

When it comes to territorial reach measured by number of campuses, affiliated universities appear more concentrated than independent and proprietary universities. Only two affiliated universities have campuses in more than one city, while both UDP and UCEN have ventured outside of their Santiago headquarters, and the average number of campuses for private universities and professional institutes<sup>25</sup> is close to three. Neither are affiliated universities solely located in the capital. UAI has its headquarters in the coastal town of Viña del Mar, 100 miles West of Santiago, which is also the home of UMAR, and the Adventists located their university in the Southern town of Chillán.

With the exception of a few universities focused only or dominantly on a single field, and best known for their proficiency in that area, such as business in the case of affiliated UAI, private universities' degree offerings are hardly distinctive. This finding contradicts expectations one could have had, at least about affiliated universities, carrying out their singular missions though a distinctive set of programs.

Isomorphic influence of the larger universities cannot be ruled out as a homogenizing force, especially when it comes to programs in Medicine, Dentistry, and Allied Health, which are generally seen as lending prestige to the university offering them. Another crucial factor is the importance of tuition revenues in overall funding. Universities are not insulated from the market, and affiliated universities must operate under the same market rules than the rest of the privates.

Private higher education is, after all, at least in Chile, a highly competitive market, and to remain in business universities have to offer what students want, hardly a position to introduce change. Furthermore, curriculum development requires the kind of full-time faculty that is typically missing from privates, although their more abundant supply in the public sector has done very little for innovation, which strengthens the hypothesis of market dependence as an inhibitor of curricular change.<sup>26</sup> Hence if any distinctiveness exists in this arena, it can only be found at the level of curriculum design and delivery. And indeed some mild diversity exists, even as universities are offering pretty much the same products. Business affiliated UAI has gone the farthest in developing a model of curriculum that departs from the professionalizing model of the Latin American and Chilean university. Its programs are still professional in orientation, but structured in two cycles of two years, the first mainly devoted to a liberal arts core curriculum, and the second to disciplinary and professional specialization. ULA offers traditionally designed programs, but courses are intended to manifest the inspiration of Catholic doctrine, and a series of mission-oriented courses have been added to otherwise undistinctive curricula, which include Christian philosophical anthropology, two or three theological courses, a course on social doctrine of the Church, and ethics. Independent universities have even less to show by way of distinctive program offerings.

According to the interviewed administrators, students are largely oblivious to affiliation as a factor in their choice of school. But they are very much responsive to tuition levels and to campus location, especially in Santiago, from whence a great degree of socio-economic stratification results, belying the stereotype of private higher education as schools for the affluent. In Santiago the campuses of UAI, ULA and UFT are located in upper-middle class suburbs, which coupled with their high tuition leave little room for lower middle class students. The two independent universities, and UAH, UCSH, and ULR among the affiliated, are located in

downtown Santiago, and the social diversity of their student bodies is much greater, with the limitation of higher tuition levels in the cases of UDP and UCEN.<sup>27</sup> At any rate, we didn't find evidence of affiliation dictating tuition policy, or of affiliated institutions seeking to enroll a particular profile of students.

In sum, systematic differences between affiliated universities and the rest of the private university sector seem clear only in the issue of size and faculty profile, while no discernible difference emerged between the three types of universities with respect to prestige, student selectivity, tuition levels, program offerings, the weight of research and graduate programs in their functions, and student socioeconomic profile. This is not to say that there are no differences in these dimensions among the universities studied here: indeed, much diversity exists, but most of it cuts across all categories of interest for our study.

The fact that affiliated universities are smaller than the average for independent and proprietary ones, they are more concentrated geographically, and exhibit greater strength in their faculty cadres, could be connected to their affiliation status, inasmuch as the sponsor organization lends the university a social visibility that does not depend on the magnitude of the student body, or it chooses for the university to remain focused upon a small community of students and faculty, or provides the university with funding to replace what could be obtained by additional tuition-paying students. Although a thorough exploration of these posited mechanisms would require further study, all of them seemed to be operating to different degrees in all of the strongly affiliated universities and in some of the weakly affiliated ones.

### *Finance*

How does this hypothesized funding support actually obtain in our cases? Money matters are difficult to investigate in detail in a higher education system where private universities have no financial disclosure obligations. Yet the broad features are known: private universities fund themselves almost exclusively through tuition revenues. The dominance of private sources of funding we see in Chile conforms to the typical financial status of private higher education sectors in the world, which recognizes very few exceptions, and only among those private systems of equal status and function as the public sector, such as Belgium or the Netherlands (and Chile, prior to 1980).

Support from the sponsoring organization is a significant, but not dominant, source of funding to ULA, UFT, UAH, and possibly to the Adventists too (which otherwise would not be able to sustain such a sparsely populated university with so many programs). These contributions have been a key source of physical plant

development for ULA and UAH. Indeed, UAH has been running operational deficits since its inception, with the Society of Jesus picking up the tab. In sum, about one half of the affiliated universities, which also turn out to be the smallest in their categories, can rely on their sponsor organization for financial support.

The need for the massive influx of capital required to support growth, which as said above led the owners of UFT to seek an association with the Legion of Christ, and continuously haunts UCEN, was creatively solved in 2002 by independent UDP, at least for the remainder of this decade, through the placement in the international financial market of a US\$ 23 million bond against future tuition revenues, an operation assisted and warranted by the International Finance Corporation. As a result of this operation, bondholders and credit rating agencies have become UDP's only external stakeholders, demanding from the university professionals standards of administration and detailed financial reports.

#### *Participation of faculty in governance*

Compared to public universities, in terms of power, faculty “don't count” in Chilean private universities, a phenomenon that parallels the status of faculty in United States for profit universities (Kinser, 2001), and, more generally, the status of faculty in most private higher education. Governing power is with the Board of Directors, while faculty are limited in their authority to that which they exert in the classroom, and their participation in their schools' advisory councils. When they integrate university wide councils, which is unusual, they also do so in an advisory capacity. Universities are run from the top down in strict hierarchical fashion. In all private universities Boards of Directors administer the assets, approve the budgets, establish the universities' policies and organizational structures, approve and terminate degree programs, approve plans, by-laws and regulations, set the number of administrative and academic positions and salary scales, set tuition rates, impose disciplinary sanctions to members of the community, and generally steer the university. Boards certainly appoint and remove the rector, but they also appoint and remove the vice-rectors and the rest of the chief executive team, and with the exceptions of UFT and UAH, also the deans and directors of academic units. The rector's role is to hire and fire faculty and staff, represent the university before the community (for legal representation corresponds also to the Boards), set admissions slots for every program, and prepare and propose for decision the various matters which the Board defines.<sup>28</sup>

Affiliated universities are not different from proprietary ones in this regard, and also are not unlike the hierarchical or paternalistic patterns of governance of private higher education institutions reported in the literature. Faculty has a greater

say in the academic aspects of governance in the Jesuit's UAH, which is unique in the organizational strength of its academic departments.

What sets independent universities apart from the affiliated and proprietary types is the degree of decentralization of their schools (*facultades*, in Spanish), which is a natural consequence of the lack of owners, insofar as the rector and his executive team do not represent any proprietors, and their opinions in academic and management matters carry, in principle, no more weight than the deans'. Policy, budgets, and faculty appointments have to be negotiated rather than imposed from the top. With this partial exception, then, the centralized and hierarchical mode of governance found elsewhere holds in Chile too, for affiliated universities as well as the rest, and for those regardless of the nature of the sponsoring institution.<sup>29</sup>

## Conclusions

Diversity is expected to arise in private sectors of higher education from the different foundational purposes of private institutions, and from the autonomy they enjoy to seek the fulfillment of those goals. Empirical work internationally has found this to be true when private sectors and their institutions are compared to their public counterparts, along with instances of homogeneity derived mostly from institutional pressures to conform to legal norms, professional standards, or successful models of organizational form and function. Less frequently, the question of intrasectoral diversity has been examined within the private sector, and a similar pattern of diversity, mixed with isomorphism, has emerged.

This working paper has sought to ascertain whether the affiliation of private universities to organizations outside the field of higher education fosters differentiation in Chilean private higher education. After laying out an empirical typology of Chilean private universities, which identified as "affiliated" those universities controlled by a sponsoring institution, "independent" those controlled from within, and "proprietary" the universities founded and controlled by individuals or their appointees or successors, affiliated universities were compared with independent institutions, and these two types with proprietary universities along the dimensions of declared mission and principles, size and scope of functions, finance, and governance.

Results conform to previous findings in that diversity was found in some dimensions, but not in others (Levy, 1999, 2004). Mission statements and declarations of principles of affiliated institutions consistent with the orientations of their sponsor institutions, contrast with a common lack of formally defined distinctive missions in independent and proprietary institutions. These findings support the hypothesis of the study in that affiliated universities seem to find in their

sponsor organization the necessary legitimacy to put forth distinctive concepts of mission, even as these may restrict the appeal of the organizations over a larger audience, whereas independent and proprietary universities seek a broader reach. Consistent with these strategies, affiliated universities turned out to be much smaller and less spread geographically than independents, and these in turn were found to be larger than the average proprietary institution, a result that can also be explained in terms of the hypothesis of the study, for in the absence of an external sponsor or owner, independent universities must build their strength upon large enrollments and a diversified portfolio of programs.

Private universities' revenue structures are very similar: tuition dominates overwhelmingly, but about half of the affiliated universities can also count on financial support from their sponsor organization or its members.

In the rest of the variables examined here, no discernible patterns of similarity or difference were found among the categories defined for this study. In matters of program offerings, strength of research and graduate programs, tuition levels, and the socio-economic profile of the students, in and of itself the status of affiliation seems to have little bearing on differentiation. The same conclusion emerged when prestige and students selectivity were examined. While affiliated universities have larger proportions of full time faculty, and of faculty with graduate degrees, the finding might simply be an artifact of the smaller size of the faculty staffs in those institutions compared to independents.

Governance is homogeneously top-heavy across the private sector. In independent universities, however, deans of schools have much more clout than their colleagues in affiliated and proprietary institutions, most likely because in the absence of a controlling sponsor or owner, power is distributed between the central administration and the academic units.

Research and graduate programs showed some differentiation across all the universities in the group, regardless of type, but within a general context of underdevelopment, which speaks to the common limitations facing private universities overwhelmingly relying only on tuition. In the case of program offerings, scant diversity was found even in universities with very particular missions, but where it exists, it has been crucially sustained by affiliation. The fact that there is limited innovation here seems also to be a general feature of the Chilean higher education system, where a university market exists with very little segmentation, and thus one in which most everyone is looking for the same products.

In sum, while diversity is high in most dimensions of organization and function under study, most of it seems not to respond to whether a private university

is affiliated, proprietary, or independent. Rather, most of the elements of differentiation cut across the categories we defined.

The convergence of the two independent universities studied here, from very different points of origin, into the remarkable homogeneity they exhibit now, offers a counterpoint to the situation of ample differentiation found within the affiliated group. This seems to support the notion that affiliation operates as a check against isomorphic forces in higher education, allowing affiliated institutions to remain closer to their foundational characteristics. Lacking this anchoring, independents are more likely to drift into non-distinctiveness. In addition, it reminds us of a pattern found in previous waves of private sector development, namely, diminishing distinctiveness over time as private universities age and evolve towards models of organization and profiles of function similar to those of public or more established private universities.

Of course, the very status of a private university as affiliated, independent, or proprietary is an element of distinctiveness, and possibly the most intrinsic of the dimensions of diversity explored here. In Chile, this status cannot be easily squared with the most commonly used device to sort out private institutions: measuring them against conventional academic “golden standard” and distinguishing between “elite” and “mass” institutions. There are affiliated universities of good standing with regard to academic reputation, faculty credentials, graduate programs, and student selectivity, but there are also proprietary and independent institutions with similar characteristics. Likewise, in the group of academically undistinguished institutions one finds universities of all types.

Chronologically, all the institutions in our study belong to the third wave of private growth identified by Levy (1986a), which corresponds mostly to the “demand absorbing” category of institutions formed since the eighties in Latin America, and most everywhere around the world since the nineties. Yet, some of them exhibit important traits of the institutional category emerging from the Latin American second wave, composed of secular, elite institutions created chiefly since the 1960’s to accommodate the needs of the business elite, and even of the institutions of the first wave, that of the Catholic universities which emerged earlier in the region to counter the secular nature of the State’s national universities, and more broadly, the decline of the Church’s influence over the temporal sphere. Just as the “demand absorbers” brought to the private sectors of higher education in Latin America a differentiation that had faded over time as a result of the increasing convergence between Catholic and secular elite institutions, and between these and the public universities, they have increased diversity by way of the differences we can observe within their own ranks. The finding that most of that diversity cannot be associated to the ownership of the university—whether it is affiliated, independent or proprietary—does not belie its presence.

As in most empirical work on private higher education (Levy, 2004) we find that diversity exceeds the expectations of the new institutionalism. An exception is represented by program offerings and curriculum design, but it perhaps deviates only apparently from this rule, for such non-distinctiveness, one could argue, reflects the nature of the demand facing private universities, and thus a technical-rational adjustment to the competitive environment, rather than institutionalized mimicking. Therefore, while it is true that little of the affiliated universities' distinctive mission statements reflects upon their study programs, it is debatable, and deserves further research, whether this phenomenon is a result of unreflective homogenization, or rather, a rational response to market conditions. In any case, the fact that affiliated universities seem ready to depart from the beaten track with respect to declared goals and principles is a relevant finding in light of the growing concern of the private higher education literature with the issue of legitimacy (Levy, 2004; Suspitsin, forthcoming), for it suggests, together with similar findings elsewhere (Levy 2003), that the legitimacy derived from that of the sponsor organization (religious, business philanthropic, etc.), or simply success (or, at least, survival) in the marketplace may well trump that which comes from replicating the goals of the universities of higher standing.

Finally, with respect to the scholarship on interorganizational relationships, unlike the bulk of this literature, our study has concerned itself more with the effects of organizational linkages than with its causes and forms of expression. Still, our findings about the concept, degrees, and forms of affiliation build onto the research carried out to describe the mechanisms for the management of the linkages between organizations. Longest (1990:23) offers four types of such mechanisms: structural features (mainly interlocking boards), management systems, human resources, and conflict resolution processes. We could see two of them operating in our cases: the participation of members of the controlling organization on the board of the affiliated university, and shared personnel between the two organizations.

As to motivations and conditions for establishing relationships, in a review of the literature Oliver (1990) discusses the following: necessity (mandatedness), asymmetry (power), efficiency, reciprocity (pursuit of mutually beneficial goals or interests), stability, and legitimacy. The last three seem applicable to our cases. However, Oliver, as generally this branch of research, assumes that linkages are based on two or more independent, pre-existing organizations that decide to enter a relationship with one another. Such is not the case of our strongly affiliated universities, created *ex nihilo* by their sponsor organizations, but it does represent one of the cases of the weak form of affiliation.

## Acknowledgments

Research for this article was supported through grant No. 1020369 of the Chilean National Fund for Scientific and Technological Research, FONDECYT, and by the Program for Research on Private Higher Education (PROPHE), at the University at Albany, SUNY, which is, in turn, funded by the Ford Foundation and the University at Albany, SUNY. I thank Daniel Levy for comments on an earlier version of this paper.

## References

- Aldrich, Howard E. and Jeffrey Pfeffer. 1976. Environments of Organizations. *Annual Review of Sociology* 2.
- Altbach, Philip G. (Ed.). 1999. *Private Prometheus: Private Higher Education and Development in the 21<sup>st</sup> Century*, Westport: Greenwood Press.
- Apablaza, Viterbo C. and Hugo Lavados M. (Eds.) 1988. *La educación superior privada en Chile*. Santiago: CPU.
- Balán, Jorge and Ana García de Fanelli. 1997. El sector privado de la educación superior. Rollin Kent (Ed.) *Los temas críticos de la educación superior en América Latina*. Vol. 2. Santiago: FLACSO: 9-93.
- Bernasconi, Andrés. 2003. *Organizational diversity in Chilean higher education: Faculty regimes in private and public universities*. Doctoral dissertation. Boston University.
- \_\_\_\_\_. 2004 (forthcoming) Breaking the institutional mold: faculty in the transformation of Chilean higher education from the state to market. H.D. Meyer and B. Rowan (Eds.) *The New Institutionalism in Education: Advancing Research and Policy*. Albany, NY: SUNY Press.
- \_\_\_\_\_. (forthcoming) University entrepreneurship in a developing country: The case of the P. Universidad Católica de Chile. *Higher Education*.
- Blau, Peter M. 1970. The Comparative Study of Organizations. Oscar Grusky and George A. Miller (Eds.) *The Sociology of Organizations. Basic Studies*. New York: The Free Press.
- Brunner, José Joaquín. 1993. Chile's Higher Education: Between Market and State. *Higher Education* 25(1), 35-44.
- Brunner, José Joaquín, et al. 1992. *El proceso de desarrollo de las universidades privadas en Chile*. Santiago: CPU.

- Castro, Claudio, and Juan Carlos Navarro. 1999. Will the Invisible Hand Fix Latin American Private Higher Education? Philip G. Altbach (Ed.) *Private Prometheus: Private higher education and development in the 21<sup>st</sup> century*. Westport: Greenwood Press.
- Cosentino de Cohen, Clemencia. 2003. Diversification in Argentine higher education: Dimensions and impact of private sector growth. *Higher Education* 46, 1-35.
- DiMaggio, Paul J., and Walter W. Powell. 1983. The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review* 48(2), 147-160.
- Donaldson, Lex. 2001. *The Contingency Theory of Organizations*. Thousand Oaks, CA: Sage Publications Inc.
- García Guadilla, Carmen. 1996. *Situación y principales dinámicas de transformación de la educación superior en América Latina*. Caracas: CRESALC UNESCO.
- Geiger, Roger. 1986. *Private Sectors in Higher Education: Structure, Function and Change in Eight Countries*. Ann Arbor: University of Michigan Press.
- Giesecke, Hans C. 1999. The Rise of Private Higher Education in East Central Europe. *Society and Economy* 21(1).
- Golicic, Susan L., James H. Foggin, and John T. Mentzer. 2003. Relationship Magnitude and its Role in Interorganizational Relationship Structure. *Journal of Business Logistics* 24(1), 57-75.
- Gonzalez, Andrew. 1999. Private Higher Education in the Philippines. Private Domination in a Developing Country. Philip G. Altbach (Ed.) *Private Prometheus: Private higher education and development in the 21<sup>st</sup> century*. Westport: Greenwood Press.
- Hage, J. T. 1999. Organizational Innovation and Organizational Change. *Annual Review of Sociology* 25, 597-622.
- Hall, Richard H. 2002. *Organizations. Structures, Processes, and Outcomes*. Eighth Edition. New Jersey: Prentice Hall.
- Hall, Richard H., John P. Clark, Peggy Giordano, Paul Johnson, and Martha Van Roedel. 1977. Patterns of Interorganizational Relationships. *Administrative Science Quarterly* 22, 457-474.
- Kent, Rollin, and Rosalba Ramírez. 1999. Private Higher Education in Mexico in the 1990s: Growth and Differentiation. Philip G. Altbach (Ed.) *Private Prometheus*:

*Private higher education and development in the 21<sup>st</sup> century*. Westport: Greenwood Press.

Kinsler, Kevin. "Faculty at the University of Phoenix: A study of Non-Traditional Roles." A paper delivered at the Association for the Study of Higher Education National Conference, Richmond, VA, 2001.

Lee, Molly N.N. 1999. Corporatization, Privatization and Internationalization of Higher Education in Malaysia. Philip G. Altbach (Ed.) *Private Prometheus: Private higher education and development in the 21<sup>st</sup> century*. Westport: Greenwood Press.

Lemaitre, María José. 1995. El Consejo Superior de Educación: Una experiencia de regulación de instituciones privadas de educación superior. *Universidad Futura* 6(17), 3-19.

Levy, Daniel C. 1986a. *Higher Education and the State in Latin America: Private Challenges to Public Dominance*. Chicago: University of Chicago Press.

\_\_\_\_\_. 1986b. "Private" and "Public": Analysis Amid Ambiguity in Higher Education. Levy, Daniel C. (Ed.). *Private education: Studies in Choice and Public Policy*. New York: Oxford University Press.

\_\_\_\_\_. 1987. A Comparison of Private and Public Educational Organizations. Walter W. Powell (Ed.). *The Nonprofit Sector. A Research Handbook* New Haven: Yale University Press.

\_\_\_\_\_. 1992. Private institutions of higher education. Burton Clark and Guy Neave (Eds.) *Encyclopedia of Higher Education*. Oxford: Pergamon.

\_\_\_\_\_. 1999. When Private Higher Education Does Not Bring Organizational Diversity. Philip G. Altbach (Ed.) *Private Prometheus: Private higher education and development in the 21<sup>st</sup> century*. Westport: Greenwood Press.

\_\_\_\_\_. 2002. "Unanticipated Development: Perspectives on Private Higher Education's Emerging Roles." Program for Research on Private Higher Education (PROPHE). Working Paper No. 1.

\_\_\_\_\_. 2003. "Profits and Practicality: How South Africa Epitomizes the Global Surge in Commercial Higher Education." Program for Research on Private Higher Education (PROPHE). Working Paper No. 2.

\_\_\_\_\_. 2004. "Where the New Institutionalism Falls Short: Implications from Higher Education's Worldwide Privatization." Program for Research on Private Higher Education (PROPHE). Working Paper No. 3.

- Longest, Jr., Beaufort B. 1990. Interorganizational linkages in the health sector. *Health Care Management Review* 15(1), 17-28.
- Mabizela, M., G Subotzky, and B. Thaver. 2000. The Emergence of Private Higher Education in South Africa: Key Issues and Challenges. Paper presented for the CHE Annual Consultative Conference, Education Policy Unit, UWC, November 2000.
- Meyer, John W., and Brian Rowan. 1977. Institutionalized Organizations: Formal Structures as Myth and Ceremony. *American Journal of Sociology* 83(2), 340-363.
- Meyer, Marshall W. 1979. Organizational Structure as Signaling. *Pacific Sociological Review* 22(4), 481-500.
- Oliver, Christine. 1990. Determinants of Interorganizational Relationships: Integration and Future Directions. *Academy of Management Review* 15(2), 241-262.
- Pérsico, María Cecilia, and Pablo Pérsico. 1994. *Realidades y mitos de las universidades privadas*. Santiago: CPU.
- Powell, Walter W, and Paul J. DiMaggio (Eds.) 1991. *The New Institutionalism in Organizational Analysis*. Chicago: The University of Chicago Press.
- Santoro, Michael D. 2002. Success Breeds Success: The Linkage Between Relationship Intensity and Tangible Outcomes in Industry-University Collaborative Ventures. *The Journal of High Technology Management Research* 11(2), 255-273.
- Schmidt, Stuart M., and Thomas A. Kohan. 1977. Interorganizational relationships: Patterns and Motivations. *Administrative Science Quarterly* 22, 220-234.
- Sebring, R.H. 1977. The five-million dollar misunderstanding: A perspective on state government-university interorganizational conflicts. *Administrative Science Quarterly* 22, 505-523.
- Suspitsin, Dmitry. Forthcoming. *Russian private higher education: The quest for legitimacy*. Ph.D. dissertation. Pennsylvania State University.
- Tan, Ai Mei. 2002. *Malaysian Private Higher Education: Globalisation, Privatisation, Transformation and Marketplaces*. London: Asean Academic Press.
- Teixeira, Pedro, and Alberto Amaral. 2001. Private Higher Education and Diversity: An Exploratory Survey. *Higher Education Quarterly* 55(4), 359-395.

- Tilak, Jandhyala B. G. 1999. Emerging Trends and Evolving Public Policies in India Philip G. Altbach (Ed.) *Private Prometheus: Private higher education and development in the 21<sup>st</sup> century*. Westport: Greenwood Press.
- Tomusk, Voldemar. 2003. The War of Institutions, Episode I: the Rise and the Rise of Private Higher Education in Eastern Europe. *Higher Education Policy* 16, 213-238.
- Ulrich, David, and Jay B. Barney. 1984. Perspectives in Organizations: Resource Dependence, Efficiency and Population. *Academy of Management Review* 9(3), 471-481.
- Wongsothorn, Tong-In, and Yibing Wang (Eds.) 1995. *Private Higher Education in Asia and the Pacific: Final Report, Part I: Seminar Papers*. Bangkok: UNESCO PROAP and SEAMO RIHED.
- Zucker, Lynne G. 1983. Organizations as Institutions. *Research in the Sociology of Organizations* 2, 1-47.
- \_\_\_\_\_. 1987. Institutional Theories of Organization. *Annual Review of Sociology* 13, 443-464.

## Note:

---

<sup>1</sup> See, especially, Levy 1986b, 1987, 1992, and 2002, for general assessments of the results of scholarship on the features and roles of private institutions of higher education, in an international comparative perspective.

<sup>2</sup> A few of the studies of interest here are Altbach, 1999; Gieseke, 1999; Balán and García de Fanelli, 1997; Cosentino de Cohen, 2003; García Guadilla, 1996; Geiger, 1986; Levy, 1986a, and 1992; Mabizela et al., 2000; Tan, 2002; and Wongsothorn and Wang, 1995. For an extensive and up-to-date bibliography on private higher education, see Maldonado et al., 2004.

<sup>3</sup> The notion of “affiliation” has not been used in this sense in the higher education literature, except for denoting association with a Church or a religious creed. Nor has it been used, in the sense with which it appears here, in the organizational literature. The concept is nonetheless appropriate for our purposes, not only because it has been long used, albeit encompassing just the religious case, in the very sense we want to capture here, but also because its most frequent occurrence in the social sciences, namely, as denoting membership in a peer group, offers an apposite analogue of the kind of association we will explore here. Finally, the need for such a concept is apparent, at least if we judge by the Geiger study cited above, which had to resort to various fuzzy expressions, such as “external supporters”, “close connections”, “controlled by subcultural groups”, and “closely identified” to mean affiliation (Geiger, 1986: 232-235).

<sup>4</sup> This phenomenon has been studied, for instance, with respect to universities created by the Catholic church in Latin America (Levy, 1986a).

<sup>5</sup> Among the few studies explicitly deploying interorganizational relationship theory to universities are Sebring’s (1977) analysis of conflict between state governments and universities, and Santoro’s (2000) study of industry-university collaborative ventures.

<sup>6</sup> Rapid proliferation followed by some tightened rules and a trimming of the number of institutions is a common sequence for private higher education (see Levy, 2002).

<sup>7</sup> The non-university level, entirely private, offers four-year undergraduate education in applied professional fields, and two-year technical and vocational programs. This three-tier system differentiation, in which private providers are the sole suppliers of education in the two non-university tiers, is also a product of the reform and a significant dimension of the public-private institutional make-up, albeit one which will not concern this study.

<sup>8</sup> But government subsidy is far from being the largest revenue source for the many public and old private universities. Chile spends 1.85% of its GDP in higher education, but only 0.6% comes from the public sector. In other words, a full 2/3 of higher education is funded by the private sector through tuition payments, contracts and services purchased from universities. In this scenario, public universities in Chile,

---

forced to self-generate in some cases up to 70% of their budgets, are far from protected or isolated from the daily struggle of private universities to survive and prosper in a competitive marketplace. For instance, Chilean public universities are the only ones in Latin America, and quite possibly anywhere in the world outside the United States, to charge tuition at par with their private counterparts.

<sup>9</sup> An up-to-date case study of one of these universities, the Pontificia Universidad Católica de Chile, can be found in Bernasconi, forthcoming.

<sup>10</sup> Aside from fat salaries for owners in administrative positions, the typical scheme is to have a real estate company, owned by the university's proprietors, buy or build, and then rent to the university the buildings it needs for classrooms, labs, libraries and administrative offices.

<sup>11</sup> Access to data sources was not equally complete in all cases. While universities' articles of association and foundational documents are a matter of public record, and general statistics on study programs, faculty, students and other variables descriptive of the general features of the university are collected by the government and made publicly available, two of the affiliated universities declined my request for interviews and on-site data gathering, a third was not visited for its remote location, and another could only accommodate my visit after the data collection phase was to be finished, and had to be left out of the field study.

<sup>12</sup> Compared to other Latin American countries, Chile's paucity of affiliated universities may be striking. It is, therefore, worth restating here that we are dealing only with universities, and that other cases of affiliation may exist in the much larger (in terms of numbers of institutions) non-university sector of private higher education. The relevance in numerical terms of this study can be greater in other systems where access to a university license is less restricted than in Chile.

<sup>13</sup>The composition of governing boards in strongly affiliated universities is as follows: Members of *Universidad Adventista's* governing board are appointed for two-year periods by 15 representatives of the Adventist Church and 5 representatives of AADRA. The president of the Church is *ex-officio* president of the university board. *U. Católica Raúl Silva Henríquez* has a Board composed by members appointed in equal parts by the Chilean Conference of Bishops and the Salesian Congregation. Although two partners with equal control rights are found sharing ownership here, both organizations are part of the Catholic Church, and the relationship between the Salesians and the Conference of Bishops is not one of equals, being the Salesians under the authority of their Bishops. In the case of the Jesuits' *Universidad Alberto Hurtado*, these Jesuit priests and Jesuit institutions who founded the university have the right to appoint its Board of Directors; its members always been Jesuit priests, including the Superior General of the Chile Province of the Society of Jesus, who is the president of the Board. The six-member governing board of the *Universidad Marítima* is appointed in equal proportions by the Chief of Staff of the Navy and the Navy's Carlos Condell Foundation. Currently, five of them are Navy officers in

---

active duty. Six of the eight-member board of directors of *Universidad Adolfo Ibáñez* are appointed by the Adolfo Ibáñez Foundation, and two by the university Alumni Association.

<sup>14</sup> Lest the figure of a private Navy institution appear odder than it is, it should be noted that the Navy also owns various public training establishments for officers, sailors, and engineers.

<sup>15</sup> Daniel Levy pointed me to the interesting fact that the sponsors of the strongly affiliated universities represent three constituents of the traditional Latin American power elite: the Church, the military, and the business community.

<sup>16</sup> All citations are in Spanish in the original, and appear in the author's translation.

<sup>17</sup> From 1888 to 1928, Chile had only one religiously affiliated university, and only three until the end of the 1980s.

<sup>18</sup> These operations are carried out discretely and with no obligation to report, so no precise account exists of purchases and take-overs. Elsewhere, from bits of information gathered from Ministry of Education officials and university leaders, Fernando Rojas and I (Bernasconi and Rojas, 2004) have estimated the number of such operations in fourteen since 1996.

<sup>19</sup> Throughout this section we refer to mission-as-declared, not to mission-as-executed. There usually is a distance between intentions and practice, but here our focus is on diversity of intentions. Diversity of practice will be examined below.

<sup>20</sup> Although not formally laid out in its foundational documents, affiliated UAI's mission is solidly grounded in its history. In 1953 Mr. Adolfo Ibáñez founded a commerce school to educate businesspeople in something else than just management, finances and bookkeeping: general education and the humanities were to occupy half of the curriculum. The school then evolved into the freestanding Valparaíso Business School, operating under the institutional umbrella of other universities until it decided to become itself a university in 1988, having to add, for licensing reasons, a program in Law and a program on Industrial Engineering. The prestige of the university's business school and its MBA programs, AACSB accredited, has placed them consistently among the two best ranked business programs in the country. Not surprisingly, then, UAI's mission is articulated around a liberal arts education for the future leaders of business and the economy, possessed of a strong civic culture, and capable of influencing the development of the country.

<sup>21</sup> Private universities' declarations of principle open a window on Chilean political cleavages. On the conservative side, the Navy's UMAR proclaims its allegiance to the fundamental values of the Western culture, while the *Opus Dei*-affiliate ULA defends the commonality of ideals among its faculty as the very identity out of which people of different ways of thinking are engaged and debated, and conceives the possibility of unveiling "the Truth," turning away from the relativism it sees permeating our society.

---

Across the ideological spectrum, The Catholic Bishops' and Salesians' UCSH and the Jesuit's UAH see their missions as inextricably intertwined with the promotion of social justice, and the service of the poor and underprivileged, while the Masonic-affiliate ULR speaks of social solidarity, the fight against privilege, and the pursuit of freedom of conscience and universal fraternity. Hence two distinctive political orientations are apparent in affiliated universities: a conservative sector and a progressive bloc.

<sup>22</sup> The *Qué Pasa* rankings are based on a survey of academics, practitioners of the professions, business leaders, and politicians.

<sup>23</sup> According to data for 2002.

<sup>24</sup> Only the *Opus Dei*-affiliate ULA requires of its faculty "moral fitness" together with their academic credentials. In addition, its articles of association state: "No one can be appointed to the faculty or remain a professor who is not willing to respect the spirit of the university, observe its articles of association and regulations and be faithful to the authorities and the professors." All the rest, affiliated and independent alike, sustain no such extra-academic considerations, although a substantial degree of self-selection and hiring based on recommendations from within tend to result in larger ideological homogeneity in affiliated universities than mere chance would have allowed. Thus, for instance, ULR has a larger share of Masonic faculty than are represented in the nations' academic population as a whole, but being a Freemason is not a requisite to teach there, and it is as hard to find left-leaning professors in the Navy's UMAR as it is to pin down rightist professors in the Jesuit UAH, but UMAR does not hire only members of the "Naval family" and UAH does not hire only Catholics, or believers, for that matter.

Conscious of the value of political pluralism (both for education and marketing), the right-of-center UAI has made a deliberate effort in the past few years to hire "progressive" faculty so as to offer a more balanced and broadly appealing learning environment. UFT, whose top officials are all conservative, points to its schools of arts and architecture as example of political pluralism. Free of these self-selection and inbreeding effects, independent universities seem to be more diverse in the ideological, social, political and religious outlook of their professors, a feature they stress in their advertising and public relations literature.

<sup>25</sup> According to statistics prepared by the *Consejo Superior de Educación*, which unfortunately does not make them available separately for private universities and professional institutes.

<sup>26</sup> The United States is the largest educational market and lots of experimentation takes place in it, but the United States market, unlike Chile's, is really a collection of hundreds of different regional, local, national, and even international markets for different types of students in every conceivable slot in the academic pecking order. Chile's higher education markets have little regional segmentation, and perhaps four to six quality and price rungs, and that is including the non-university sector of higher education.

---

<sup>27</sup> Differences of more than 100% exist in tuition levels across the private universities in our study, with UCSH close to the bottom of the distribution, UAI at the top, UAH around the middle, and independents UCEN and UDP close to the 20<sup>th</sup> percentile.

<sup>28</sup> The case of *Universidad Central* introduced before is unique, in that faculty are called upon every five years to elect their representatives who will appoint the members of the board. In what constitutes another special feature of UCEN (also found in UCSH), deans are appointed by the rector from a list of three candidates assembled by the faculty of the respective school. Once, appointed, though, deans serve at the discretion of the rector.

<sup>29</sup> Student participation in university government was banned by law under the Pinochet regime, and remains banned under democratic rule. This is very atypical in the Latin American context, where students in public universities often participate in the election of rectors and top officials and have voting rights in university governing councils. Furthermore, conservative private universities are wary of student activism, lest it disrupt the tranquility that is one of their assets in comparison with the strike-prone public institutions; they do not encourage university-wide student unions (formally banning them would likely be unconstitutional) and if they nevertheless arise, they keep them away from decision making. Conversely, both progressive and independent private universities welcome the formation of student unions, invite them and representatives of faculty to attend the meetings of the governing councils within the limits set by the law, and often contribute to their funding.