

On the Classification of Universities

Sobre la clasificación de universidades

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Abstract

This article discusses the use of university classifications as a framework for their order, ranking and finance. It is argued that in the field of Chilean higher education, the dominant classification acts as a powerful mechanism for inclusion and exclusion from a broad series of advantages that sustains the status quo and inhibits competition, collaboration and innovation.

Keywords: universities, public, private, CRUCH, power, prestige, funding

Resumen

El presente artículo es un ensayo polémico sobre el uso de clasificaciones como un dispositivo de ordenamiento, jerarquización y financiamiento de universidades. Sostiene que, en el campo de la educación superior chilena, el principal esquema de clasificación de este tipo de instituciones opera como un poderoso mecanismo de inclusión y exclusión de un círculo de ventajas y privilegios contribuyendo, por esta vía, a reproducir el status quo e inhibiendo la competencia, colaboración e innovación.

Palabras clave: universidades, público, privado, CRUCH, poder, prestigio, financiamiento

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Thus, through the differentiated and differentiating conditionings associated with the different conditions of existence, through the exclusions and inclusions, unions (marriages, affairs, alliances etc.) and divisions (incompatibilities, separations, struggles etc.) which govern the social structure and the structuring force it exerts, through all the hierarchies and classifications inscribed in objects (especially cultural products), in institutions (for example, the educational system) or simply in language, and through all the judgments, verdicts, gradings and warnings imposed by the institutions specially designed for this purpose, such as the family or the educational system, or constantly arising from the meetings and interactions of everyday life, the social order is progressively inscribed in people's minds. Social divisions become principles of division, organizing the image of the social world. Objective limits become a sense of limits, a practical anticipation of objective limits acquired by experience of objective limits, a 'sense of one's place' which leads one to exclude oneself from the goods, persons, places and so forth from which one is excluded. (Bourdieu, 1984, pp. 470-471).

In the sociological tradition, founded by Durkheim and culminating with Bourdieu, systems of classification are understood as frameworks for power in the field of symbolic contest. They are forms of order and thus rank the world of things, institutions and ideas. They often reflect pre-existing social divisions—and field-specific practices—which reappear as structured categories of classificatory systems. This article employs this approach to the way that Chilean universities are organized from a perspective that views these classificatory exercises as part of a struggle to establish order in the university system, by ensuring hierarchical and subordinate relationships and, among these institutions, the allocation of prestige and reputation. It shows that in Chile, the longest held classification with the greatest practical impact is that between state and private universities that are members of the Chilean Universities Rectors Council¹ (CRUCH) and other (private) universities that fall outside CRUCH. This classification—with apparently innocuous historic origins and which has been politically and legally sustained over time—conveys distributions of power, wealth and prestige, orders the field by cultural signifiers linked historically to Chilean higher education, and enshrines a series of privileges and advantages in favor of these institutions, among which is the exclusion of contenders.

The argument is presented as follows. First, a brief and schematic description is offered of the argument regarding the central tradition of the analysis of classifications, for brevity called Durkheimian, as a framework for the analysis of power, organization and social discipline.

Second, it identifies the present social development stage of Chilean higher education, characterized by the 'massification' of enrolment and the differentiation and proliferation of higher education institutions (HEIs), which are the principal cause for the frenzy of classification which is a predominant feature of today's post-secondary education. The lists of HEIs produced by these exercises reveal their arbitrary and conjectural character.

Third, the article reviews present European university classifications. They are in contrast to those that only attempt to create or represent an institutional hierarchy (which tend to confirm current power relations), as they respond to the interests of various stakeholders and are intended to meet the needs for information and academic ordering.

Fourth, the paper addresses the issue of how the most important university classification operates in Chile. The discussion shows that this classification is an expression of political-administrative power, based on the inclusion (or exclusion) of institutions for various funding benefits and privileges, which also involve direct contact with the national government. While this classification is based on the history and evolution of the national system of Chilean higher tertiary education, it lacks rationality and internal consistency.

Fifth, it presents the central hypothesis of this article, which is that within the field or social space of higher education, where institutions are displayed hierarchically according to the volume of their accumulated capitals (first symbolic, in terms of prestige, and then economic, social, cultural and academic), this classification, imposed and maintained by the 25 CRUCH member universities, contributes to the reproduction and reinforcement of this hierarchy in political, bureaucratic, market and communication

¹ *Consejo de Rectores de Universidades Chilenas*. The institutions that make up this organization were identified by the Decree with Force of Law (*Decreto con Fuerza de Ley*) N° 2, 1985, of the Ministry of Education, relying on powers found in Law N° 11,575 (article 36, letter c), where the aforementioned DFL N° 2 notes those universities that are to make up the CRUCH. Today, as noted in the text, these consist of 25 institutions of which 16 are state/public and nine are private with state subsidies.

terms, and thus their position of dominance within this field, together with its concomitant advantages and disadvantages.

Sixth, it is suggested that the Chilean university classification system—that is, the division between CRUCH and non-CRUCH universities—shows clear signs of being weakened and under pressure. In fact, its power and influence, above all in terms of the distribution of subsidies among member institutions, seems not to be functioning properly and is being called into question, not least by government policies.

Seventh, with this diagnosis the text explores in the eighth section, whether there are alternative classification schemes in Chile that might serve, in practice, to replace the dominant CRUCH framework. It shows that over the last few years there have been various attempts to classify, if not all 200 HEIs that make up the national higher education system, at least the approximately 60 universities that are an important component. Most offer typologies of these institutions for the purpose of research and analysis.

One, however, has achieved the slightest political and symbolic power when compared to the CRUCH/non-CRUCH division with its implications for being included or excluded from the advantages and privileges available to CRUCH members.

Eighth, this work asks what the interest of the Ministry of Education is in creating a new, additional university classification. The proposed response is that the government is interested in having an institutional classification, which would permit the central government to justify and legitimize the distribution of public funds as a function of the university category supplied by this classification. However, this proposal raises many issues. First, it counters government policy developed in the 2000s which has sought to assign additional available funding for CRUCH universities not through categorical funding, but with competitive funding or performance contracts; second, categorical funding necessarily relies on a governmental classification of universities, which will always be difficult to apply and will increase resistance²; third, it does not appear evident that categorical funding—using some type of classification—has advantages over the funding modalities and financial instruments that the government has been employing with success until now; and fourth, it is likely that the application of a funding method linked to a classification of institutions will only have a marginal impact on the distribution of resources between universities.

Finally, it is argued that—from the point of view of public policy—there is a strong argument that the government, rather than organize official university classifications for resource allocation, should establish an information system so that students can set their own personal priorities of university rankings based on individual choice and by combining multiple variables for each of the programs that interest him or her. There is extensive literature and empirical evidence that justifies this approach, with the case of the German CHE *Hochschulranking* providing a working example.

Durkheim's tradition

Durkheim understood that classification schemes are about power. Logical categories, he wrote, are really social categories. And each classification implies a hierarchical order. In their *Primitive Classification* Durkheim and Mauss declared that the classification of things, institutions, ideas and events “express under different aspects the very societies within which they were elaborated”. Furthermore, they suggested “the differences and resemblances that determine the fashion in which they are grouped are more affective than intellectual”, for example, when category objects are considered “sacred or profane, pure or impure, friends or enemies, favorable or unfavorable” (Durkheim & Mauss, 1963).

For this discussion about university classifications and typology we want to continue this approach, initiated by Durkheim and Mauss, under the assumption that classificatory systems have a myriad of other

² In fact, after the first draft of this article was written, the Chilean government distributed a modest amount of funds assigned as “base performance funding” to different groups of universities within CRUCH, according to a *sui generis* government classification using performance indicators. The Universidad de Chile publicly objected to the criteria used by the government and its Rector issued a press statement stating: “We are questioning the use of criteria and formulae totally defined between the four walls of the Higher Education Division (DIVESUP) of the Ministry of Education that does not take into account the performance of the Universidad de Chile”. Retrieved on January 9, 2013 from: <http://www.uchile.cl/noticias/88174/rector-en-radior-futuro-y-cooperativa-fondos-basales-por-desempeno>.

sociological functions, such as disguising interests, reflecting ideological preferences, resolving conflicts and becoming symbolic instruments which draw borders of inclusion and exclusion. To summarize, categories and typologies are a product of social relations, while organizing and disciplining them at the same time.

As will be seen in this exploration of higher education classifications, their meaning is very much the result of their purpose. And in Chile, this purpose is often confusing and ambiguous. This paper argues for objective and clear classifications, which requires a change in their purpose so that the interests of the students become paramount.

Celestial empire of benevolent knowledge

With massification of higher education and its continuous institutional diversification, both the academic and administrative bureaucracy have entered into a frenzy of classification. Faced with over 70,000 higher education institutions (HEI) in the world, including 4,000 universities in Latin America alone, what should be done? How is this chaotic world to be rationalized when there are providers of every shape and size; traditional universities and new suppliers; training companies offering distance education on the World Wide Web, as well as in classrooms through face to face interactions; highly selective small establishments and huge macro universities; teaching organizations and factories of advanced research/knowledge; institutions with a solid academic-cultural base, and others derisively known as ‘garage’ (Colombia), ‘ducklings’ (Mexico) or ‘chalk and blackboard’ (Chile) universities? What principles or criteria might be used to impose a degree of order and hierarchy and return some sense to an institutional landscape whose internal and external boundaries have become extremely fuzzy? How can one distinguish between one HEI and another? Between one, for example, that calls itself a business and another a knowledge enterprise; or among for-profit and nonprofit suppliers? Between public institutions subject to the market and private entities with a strong public vocation; between culturally sophisticated institutions and those that belong to mass culture? Between universities that are associated with religious orders or subsidiaries of economic groups? Among those that educate elites and those that train a kind of new semi-professional worker? Among educational institutions designed for a conventional middle class culture and those that proclaim to be multi-ethnic or pluri-ethnic, and so on and so forth?

These examples, which illustrate an ongoing social transformation, have rarely been captured by the current models of the university. The notion that there might be something like an ‘idea of the university’—the ideas of Newman, Humboldt, Jaspers, Hutchins, Rodolfo Mondolfo, Darcy Ribeiro, Luis Schertz or anyone else who believes their ideas express the ‘authentic’ spirit of the institution—has been replaced by a parade of postmodern metaphors: the multi-university, service stations, cultural bazaar, the knowledge industry, virtual universities, post-public, popular, those with a smorgasbord curricula, knowledge supermarkets, academic retailers, diploma factories, and world class universities with their own global rankings (which account for less than one percent of HEIs in the world!).

These lists of HEI types suggest, in many ways, the classificatory exercises found in the short story of J.L. Borges, the *Idioma Analítico de John Wilkins*, where he invents a famous classification of the Emperor’s animals contained in a Chinese encyclopedia, *Celestial Empire of Benevolent Knowledge* and numerous other ways to divide and organize the universe, concluding “that there is no classification of the Universe not being arbitrary and full of conjectures” (Borges, 1993).

The European effort

There are many academic-bureaucratic efforts to classify HEIs currently underway. Perhaps the most interesting is taking place in Europe. This is an exercise in collective decision-making on what could and should be the most relevant dimensions to describe Europe’s diverse universities and so make institutional classification easier (van Damme, 2009, 47-48).

According to its proponents, for whom and why might this exercise be of use? Table 1 presents a synthesis of the responses to this dual question.

Table 1
European classification: Stakeholders and functions

For whom?	Why?
Students	Choice of institutions and programs from the viewpoint of personal preferences and labor market perspectives.
HEIs	Will be better able to develop their missions and profile and engage in cooperative activities, benchmarking and networks.
Industry and commerce	Will identify specific HEIs in order to encourage and reinforce contacts and collaboration.
Policymakers	Will benefit from greater understanding of institutional diversity, leaving aside <i>one size fits all</i> policies and developing plans that embrace different categories of institutions
Research and analysis	A classification can serve as a methodological guide for researchers, analysts and experts who undertake policy evaluations, comparative studies and institutional benchmarking.

Source: Adapted from Bartelse & van Vught, 2009, 58-59.

This European scheme will use the following variables for the classification: degree levels offered, discipline mix, program orientation (academic/vocational), involvement in lifelong learning, research intensity, innovation intensity, international orientation in teaching and research, size, teaching modality, public/private finance, legal status, commitment to nonprofit organization and the role in regional development.

Finally, the classification is to be based on empirical (rather than normative) descriptions of institutions, by using verifiable data to provide a range of indicators to identify the dimensions mentioned. This approach is multidimensional and attempts to respond to different interests and a diversity of concerns. It is not expected to produce results with hierarchic positions; in a nutshell, comparisons will be horizontal rather than vertical. Moreover different dimensions, arranged for different purposes, will classify HEIs. In short, the classification is purely descriptive and does not pretend to offer prescriptive institutional models.

A harmless classification?

In Chile, since the 1980s when the system began its institutional expansion, we have employed a classificatory grid that barely hides its politico-ideological function, its moral intention, its defense of the status quo and its divisive effect of segmentation and exclusion. The major institutional categories which form part of this grid (which is also used in official statistics) are: (a) universities that form the Rectors Council of (some) Chilean Universities, sometimes called 'traditional' universities even though this applies to only a third; (b) private universities (sometimes with the prefix 'new' or post 1980); and in addition there are (c) professional institutes and (d) technical training centers. This classification is something of a hotchpotch using quite different classificatory criteria for its members, such as legal status of the institutions, their history, relationship to a bureaucratic body and differentiation according to UNESCO's International Standard Classification of Education (ISCED) (1997).

This classification is completely incoherent. Nothing matches. The so-called CRUCH universities are state/public and private with state subsidies, but all demand to be recognized as (truly) public or at least having a 'public vocation'. They often invoke or are called 'traditional' as if they had an ancient history. In fact, only 8 existed before 1960. The other 17 are either state universities created or 'derived' in 1981 as a result of the forced breakup of the Universidad de Chile and the Universidad de Santiago (Chile) or private, state-subsidized regional universities derived from the Pontificia Universidad Católica de Chile. Moreover, CRUCH universities often proclaim themselves to be guardians and spokespersons for national research, whereas in fact there are only two—at most three—that could be classified as research universities using international standards. Perhaps another three or four might be included if national standards were applied.

Private universities that receive direct state subsidies are sometimes described as those with a ‘public vocation’, although all they have in common is that they are members of CRUCH, they receive a direct public subsidy, and are benevolently treated in terms of public control and supervision. However there are numerous differences: their history, their mission and purpose, and the fact that amongst them there are six Catholic universities of which two are designated Pontifical. Moreover, some have very high, elite admission standards, while others have much lower admission standards; some are more businesslike with considerable commercial interests, while others are more modest in terms of resources; some are well run and others not; and some are prestigious while others are less so.

There is similar diversity with the so-called ‘new private universities’, that is, those that UNESCO and the OECD classify as independent (i.e. they do not receive direct fiscal subsidies and the state does not intervene in their governance arrangements). To begin with they are linked to different owners; the Catholic church, religious orders, corporate groups, politico-ideological orientations, business, national and foreign capital, personalities, corporations, or cultural projects. And, by the same token, they have different missions, areas of knowledge specialization, the makeup of the student body, different stages of academic maturity, the solidity of their corporate arrangements, levels of self discipline and quality, the autonomy of their teaching body, research intensity, orientation toward their environment, cultural climate, participation in public affairs (and commitment to the public good), types of financing and the use of their surplus.

Furthermore, in Chile there are another 140 HEIs of different levels: professional institutes that provide (according to ISCED [UNESCO, 1997]) level 5A programs, and technical training centers that provide Level 5B programs. Only with very loose criteria can these quite different non-university organizations be classified together. What they do have in common is their diversity: from their programs, degrees or diplomas to their size and goals; their stability, legal status and management style; the way they instruct or teach; their different connections to the labor market; and their roles as local, regional or national organizations.

Symbolic frontiers and material divisions

The question is this, what explains the survival of this convoluted classification, with its diffuse categories that obey no simple classification principles of gathering like terms and discriminating between similarities and differences?

There is an answer. Our hypothesis, influenced by Bourdieu (1984, pp. 466-484, 1989), is that within the field or social space of higher education, where institutions are displayed hierarchically according to the volume of their accumulated capitals (first symbolic, in terms of prestige, and then economic, social, cultural and academic), this classification imposed and maintained by the 25 CRUCH universities (above all by its original nucleus of the eight traditional universities, followed by an outer ring consisting of fourteen ‘derived’ state universities and another, more recent, of three ‘derived’ regional Catholic universities) contributes to the reproduction and reinforcement of this hierarchy in political, bureaucratic, market and communication terms, and thus their position of dominance and subordination within this field, together with its concomitant advantages and disadvantages.

In fact the CRUCH classification creates symbolic boundaries (some stronger and more impenetrable than others) that the membership—the nucleus and its two rings—are willing to defend and extend for as long as possible. These boundaries can be thought of as pairs of mutually contrasting categories and cover six areas.

- a) The Public/Private division is thought of as if it divides waters between two continents; in this case different types of universities with opposing visions, missions, vocations, plans, cultures and ethical stances, as well as with divergent relationships with society. Within the cultural space of Chilean higher education, and according to the dominant CRUCH ideology (and sometimes also to the ideology of some universities in the subordinate sector), these two categories both separate and oppose two ways of thinking about life, worlds of values, forms of appreciation and judgment, and two sets of feelings. In Durkheimian fashion, they are supposed to represent purity, altruism, public service, the ethic of gift-giving and selflessness on the one hand, while on the other they represent contamination, egoism,

- commerce, calculation and the logic of exchange. In terms of this classification, to be within or outside the CRUCH is to become part of (or be excluded from) a symbolic space separated by a moral gap.
- b) This gap, according to Chilean predominant academic ideology, is that which separates state from market, public from private goods, the common versus its private appropriation, use values and those of exchange, knowledge ruled by free communication as opposed to knowledge transformed into a commodity, collective ends as opposed to ownership, cooperation versus competition.
 - c) The CRUCH classification—which is an expression of the status quo within the field of Chilean higher education—also opposes the allegedly democratic-pluralist character of CRUCH universities with the proprietary, sectarian, and donative-commercial character (Hansmann, 1980, 1990, 1996) of private institutions, accused of being motivated only by for-profit ends or, in any case, of being at the service of special interest groups, religious and cultural sects or ideological projects.
 - d) So too the forms of university government and management of those within CRUCH should be distinguished from those outside in the private and market sector. While the former are supposed to follow the collegial participatory traditions of ancient European universities, adapted to Latin American university militancy and tripartite (*triestamental*) institutional government, private universities are charged with following a business model of management, quite distinct from the values of academia and its distributed government among peers.
 - e) As academic organizations, both types of universities are to be found at the extremes in the higher education institutional space. The CRUCH universities think of themselves as being *bottom heavy*, according to Burton Clark's denomination (1983), because their principal output (research) and the authority of academics in their disciplines are based on departments at the base of the university. Private universities, on the other hand, are characterized as being *top heavy*, given that their functions and control are managed from top to bottom, from the board and its agents (Rector, Vice-rectors, deans and directors) to the academic staff whose members are conceived as white-collar knowledge employees, in charge of transmitting (not producing) knowledge.
 - f) Lastly, from these classificatory divisions, the dominant category of favored institutions (CRUCH universities) ensures its authority and control within the field of higher education, and advances a series of justifications and demands. These basically include the right to preferential treatment and special recognition of their role by the state and society, privileges of inclusion in some public entities and organizations, to be accepted as the leading interlocutor with public authorities in terms of higher education policy, to administer the processes of university entrance, and, above all, to preserve the status of their institutions as the sole beneficiaries of direct subsidies from the state.

Naturally, membership in this category of institution, symbolically the summit of the Chilean higher education system, allows them to impose closure on the rights, privileges and preferences that come with their position in the field, in other words, the ability to exclude contenders and competitive institutions.

The erosion of closure

As Bourdieu has explained, in all hierarchically structured fields those in dominant positions will be subject to the threat of change and substitution. In Chilean higher education, the attempt by the dominant institutions, the CRUCH universities, to exclude others has become successively weaker. The public/private demarcation is no longer a rigid frontier. The public sphere has been penetrated by private attitudes and practices, and on the other hand the private sphere has become public in various aspects, (Brunner & Peña, 2011; Enders & Jongbloed, 2007). It is now generally recognized that higher education is both a private and a public common good (Barr, 2004, 2009), a creator of individual and social benefits (Roth, 2012), a learning experience and, at the same time, a positional or status good. All of the HEIs want and need to produce a surplus which allows them to cross-subsidize internal activities, invest in new projects and promote innovation (Shattock, 2003). In other words, all want (and need) to make money, although not necessarily as for-profit institutions.

Even though the institutions fall into different governance categories, their management is similar in terms of vision, concepts and instruments. To a greater or lesser extent, the dominant style is now that of *managerialism*, popularized from the ideas of *New Public Management* (Deem, Hillyard, & Reed, 2007).

So while academic organizations continue to demonstrate considerable diversity, all are experiencing—in different ways—a process of differentiation, bureaucratization, rationalization and greater complexity.

Nor have CRUCH's exclusionary practices been able to prevent a portion of the national budget, albeit quite small, from filtering 'to the outside', away from their dominant circles, particularly by way of scholarship support and student aid for undergraduates enrolled in private universities.

Anyway, even CRUCH's composition itself is contradictory as a result of historical circumstances that defined its formation and evolution over time. As we saw, within this organization coexist state and private universities, private religious and secular institutions, traditional and 'derived' universities, those seriously dedicated to research and others solely engaged in teaching, some very selective and others which are widely accessible, and so forth.

Classifications - made in Chile

Based on the above diagnosis, we will explore if alternative classificatory schemes have emerged in Chile that might serve in practice to replace the dominant CRUCH framework. There is no doubt that over the last few years there have been various attempts to classify, if not all 200 HEIs that make up the national higher education system, at least the approximately 60 universities that are an important component of the system, and moreover to offer typologies of these institutions for the purpose of research and analysis.³

Brunner, Elacqua, Tillett, Bonnefoy, González, Pacheco and Salazar, F. (2005, pp. 193-208) proposed a multidimensional typology of HEIs based on their legal personality, size, range of disciplines, academic selectivity, knowledge intensity, declared mission, geographic range and prestige measured by reputational rank. The analysis identified eight categories of universities.

While this first exercise was deservedly criticized (Bernasconi, 2006), it was continued by Torres and Zenteno (2011) who classified universities by primary criteria, that is, the level of undergraduate academic selectivity, and their principal function, whether they undertake research (with different levels of intensity) or are mainly teaching institutions; and used other secondary criteria (related to size and level of accreditation) in order to generate subgroups within the principal classifications. Their analysis draws a map of four selective and three non-selective university groups.

Reyes and Rosso, (2012) used and deepened the previous analyses to construct a typology made up of four principal categories as a function of knowledge intensity of the institutions (i.e., annual rate of internationally indexed publications and the number of doctoral programs), categories that are then used to give a hierarchical ranking according to the score obtained from the quantitative indicators used⁴. The main results of this exercise are the following categories: research and doctoral teaching universities (6), those with selective areas of research and doctoral studies (11), teaching universities with emergent research activities (11), and teaching universities (23)⁵.

Parada (2010), who wants to identify criteria for the distribution of public funding, proposes a tridimensional taxonomy of universities using ownership, legal status, and their public/private nature (in economic terms) measured by the output and services generated by these different universities: degrees and titles, different types of research and extension activities. From this grid, the author finds "forty possible scenarios, by which it would be possible to classify institutions into homogenous and non-discretionary categories".

Chilean economists have also attempted to develop university classifications and typologies.

Among the first were Rappoport, Benavente and Meller (2004), who ranked universities on the basis of six specific undergraduate programs (*carreras*), examining graduate incomes five years after graduation with the implicit assumption that the results are solely attributable to the institutions that trained them. The universities are ranked as first, second, and third class, which, according to the authors, represent the market perception of these institutions. However, this does not reflect, the relative quality of the education received, the authors add, because the characteristics of universities themselves (e.g. by degrees) were not considered and could explain the observed differences.

³ This section concentrates on university classifications only.

⁴ See *El Mercurio*, Reportajes section, January 15, 2012.

⁵ Missing universities are those without information.

Urzúa (2012) classifies universities on the basis of income obtained by their graduates in four different degree programs (law, commercial engineering, journalism and psychology). Thus, depending on the market results of their graduates (five years after graduating), universities are classified into three types (A, B and C), which represent higher than average, average and lower than average returns for employment. “This is not”, according to the author, “a ranking of value added”, which restricts the scope of the resulting ranking but not its value as an exercise in classification.

Most recently Williams (2012) has attempted another classification scheme which is best described as eclectic, using academic and other variables which belong to financial analysis. It begins by applying the methodology of Reyes and Rosso (2012) and then adding features which have to do with institutional accreditation and the possibility that some institutions might (or might not) distribute profit amongst their owners or controllers. This exercise produces four university categories: (A) Accredited public or private complex universities with a clear commitment to the creation of advanced human capital and research (6 universities with 20 percent of the total national enrolment); (B) Accredited public or private teaching universities with some postgraduate programs, sometimes incipient research areas, and with university-based commercial companies but not for-profit (30 universities with 41 percent of total enrolment); (C) Universities with the same characteristics as (B), but with university-based commercial companies ‘susceptible of being used for the distribution of profits’ (15 universities with 34 percent of students); and (D) Unaccredited teaching universities (6 with 5 percent of enrolment). Interestingly, Williams’ study shows that categories that are apparently aseptic or neutral in other classification schemes (Reyes & Rosso, 2012) are accompanied by economic indicators that are very dissimilar, by very different expenditures per student and, as can be inferred, by state subsidies of very different magnitudes. This is reflected in greater capital accumulation in universities classified as more complex, research and doctoral education intensive, a phenomenon analyzed in detail elsewhere (Brunner, 2005).

In summary, as can be seen from this rapid survey, although the number of university classifications and typologies has grown, the results are unsatisfactory. Given different basic criteria and the weight or emphasis given to the variables and indicators, the results are diverse categories, subgroups and thus rankings. Moreover, the choice, emphasis and weight of indicators reflect the authors’ academic disciplines, ideological preferences, hopes for results, data availability or tactical convenience as a function of competition and struggle between researchers and institutions for positions within the field of higher education.

If anything, the choice of a principal criterion for classifying and ranking universities, such as their socio-academic selectivity of students or their ‘knowledge intensity’ measured by research results and/or the number of accredited Ph.D programs or the number of Ph.D students who graduate within a given time period, is a crucial decision. So too if other additional variables are added, such as the rate of return for degrees in the labor market (controlling for students’ socioeconomic origin, academic history, and social capital) or dimensions that until now have not received much attention, for example a university’s commitment to the education of students from households in the first two (lower) income distribution quintiles, and/or a university’s commitment to and impact on the public sphere.

It seems clear enough too, that these various classifications have many different purposes and target audiences, with both objective and persuasive intentions. They have been designed for purposes of academic research, for the allocation and distribution of public funding, for improving students’ selection decisions, for public policy ends, for benchmarking and the identification of best practices, for status competition and reputation rankings, and for polemical effects within the higher education field. None, however, have obtained a minimum of political or symbolic influence when compared to the division of Chilean universities into those which are members of the CRUCH and those which are not and, for this reason, lack the advantages and privileges that come with CRUCH membership.

The ministry in search of a classification

What is the interest of the Ministry of Education in creating a new, additional university classification?

According to a press report from last August, the Ministry might be interested in funding universities according to their category. In fact, the Education Minister recently announced, “we have to finance

public goods with greater strength, but this should not be concentrated in all institutions, but in those that have a greater capacity to progress...”. According to the Minister, this perspective refers to universities “that have various doctoral programs, Ph.Ds, full-time academics with this degree, and that have established standards, of which there are few in Chile. This group ought to receive more resources”. In addition, universities that contribute to the public good, primarily in the regions, ought to receive direct state support. “In this case it will be necessary to improve the funding programs that we already have today”, he affirmed. However, emerging research institutions and those making efforts to move in this direction should continue to receive current levels of support or “maybe a little more”. Finally, asserted the Minister, purely teaching universities, “as they do not produce public goods, in principle should not receive state funds”.⁶

In other words, the government is interested in having an institutional classification that would allow the central government to justify and legitimize the distribution of public funds as a function of the university category produced by this classification.

This proposal raises many issues. First, as outlined by the Minister, it expands the practice of delivering funds by categories (categorical funds), that is, funds designed for a specific institution or a category of institutions, as already occurs with the Universidad de Chile (UCH) or the CRUCH universities respectively, usually for predetermined objectives, thus reinforcing a traditional funding modality, just at the time when Chile has begun to limit its use and substitute other more effective funding modalities and procedures. In their study for the OECD, Strehl, Reisinger and Kalatschan (2006) point out that “competitive funds are an alternative to the more traditional approach of establishing categorical funds. These are usually funded on a project-by-project basis for the purposes of improving quality and relevance, promoting innovation and fostering better management objectives that are difficult to achieve through funding formulas or categorical funds. The allocation of competitive funds is based on peer reviews”.

Second, a modality that expands the use of categorical funds must rely heavily on some kind of university classification, which will have to be developed administratively and imposed authoritatively if it is to cover all universities or even only those belonging to the CRUCH. Given the difficulties that these classificatory exercises face and the resulting disputes, it can be imagined that the intention of defining and imposing a classification for funding allocations will meet considerable resistance.

Third, one needs to ask why this modality and what its advantages are for resource allocation. Literature shows that categorical funding has one advantage in higher education, that is, the allocation of resources for a targeted goal or priority set by the government for a determined category of institutions. In fact, “state financial strategies that target funds for specific uses enforce state policy by removing or reducing institutional discretion in the internal allocation of funds. Thus, policy struggles at the institution or indeterminacy in the use of state funds is mitigated or minimized; the state has already solved the issue of how the funds will be spent and ensures that its priorities are addressed through the levers of resource allocation and financial management” (Welsh, Ross, & Vinson, 2010).

If the latter is the main benefit ensuing from using categorical funding, is it not possible to achieve the same advantage at a reduced cost and with less difficulty by using market type mechanisms (MTM)? These are already part of government practice, such as competitive funds, public auctions, performance contracts, and formulae linked to indicators and results. The government has already successfully used several of these instruments for public goals and to align institutional behavior with higher education policy priorities. In fact there are allocation modes that automatically generate, so to speak, a category-distribution effect. For example, every time that funds are increased for R&D, even when allocated in terms of quality and impact of the evaluated projects, the greater proportion are awarded ‘automatically’—following the Matthew effect—to the (few) research universities in Chile. And every time the government has sought to strengthen the infrastructure of regional universities, it has done so through competitive funds allocated to the best projects or through the use of performance agreements.

Fourth, in any case, if one adheres to the statements of the Minister of Education from last August, quoted above, no innovation in HEI funding would follow. In fact, when he states that the major research

⁶ Harald Beyer, Minister of Education, *El Mercurio*, Santiago, August 24, 2012. Retrieved October 31, 2012 from http://mt.educarchile.cl/MT/jjbrunner/archives/2012/08/minisyro_de_edu.html.

universities (with doctoral programs) will be given priority using categorical funds, this has actually been the practice for over two decades. And if one wishes to give priority to regional universities, there are far more efficient and effective ways to do so, as various OECD studies, examining diverse regions across the world, have demonstrated (OECD, 2007). It is also difficult to understand why emerging research universities can only look forward to a little more support, in the best of circumstances, if the aim is to provide selective incentives for the development of R&D capacity. And, lastly, that teaching-only universities will have to rely solely on the income they generate on the grounds that they do not produce public goods is an astonishing assertion, which, if it becomes public policy, is surely a mistake.

Discussion

The priority should be students and their choices

Alternatively there is a strong argument that the government, rather than organize official university classifications for resource allocation, should establish an information system so that students can set their own personal priorities of university rankings based on individual choice and by combining multiple variables for each of the programs that interest him or her.

Indeed, in a higher education system such as that in Chile, where there is free choice of academic programs offered by a great variety of suppliers –and therefore intense market competition for access to institutions– one of the biggest obstacles for its proper functioning are information asymmetries. These can easily distort student decisions, lead to fraud (just as John Stuart Mill foresaw⁷) and generate the wrong signals for human capital investment (and borrowing) decisions. The arguments and evidence to support these judgments are well known and need not be repeated here (Brunner, 2009; Dill, 2007; Dill & Soo, 2004; Teixeira, 2006; Teixeira, Jongbloed, Dill, & Amaral, 2004).

In response the government should correct this market failure and provide sufficient information to students and civil society. This cannot be achieved by mere HEI classifications, typologies and rankings, which exist in abundance but have not been designed to serve students, but rather to highlight the prestige and the hierarchy of institutions.

A prominent example of a student-centered information service is that of the *CHE-Hochschulranking* (German)⁸. This user friendly ranking system for undergraduate programs has been developed by an autonomous research center, supported by a private foundation, and is available on the Internet and disseminated by the German newspaper *Die Zeit*. According to the professional literature it is the highest quality instrument currently available and provides the best service for students at the point when they are deciding upon a program or institution (Marginson, 2009; Soo & Dill, 2007).

Its comparative advantage comes from providing a substantial database on disciplines and programs, including both hard data and survey results of students and academic staff, with which users can interact on the Internet, according to their options, needs and preferences. Instead of a ranking of institutions according to their score in some league table, each user makes up their own individual ranking using a set of selected variables or indicators that result from his or her personal choices. There is no longer a unique ‘best university’, but suitable universities organized into three groups that have different positions according to the definitions provided by the applicant.⁹ This instrument is deemed to increase the public value of the information supplied, while at the same time facilitating individual choices about human capital investment.

The CHE method has been adopted by other German speaking countries (Austria and Switzerland), and is serving as a model for university classification in Europe. An emerging country, Bulgaria, has also successfully adopted it.

Our strong view is that Chile needs to go in this same direction, creating an instrument similar to the CHE ranking, which allows for multiple classifications and comparisons of universities according to students’ interests, while at the same time funding its HEIs through the intensive use of MTM and other government programs that help guide the Chilean system towards social welfare priorities and the public interest. Furthermore, as follows from the arguments presented here, it would gradually reduce

⁷ John Stuart Mill, “Endowments 1869”, The Collected Works of John Stuart Mill, Volume V - Essays on Economics and Society Part II. In this document Mill introduces this issue in the following way: “The question of educational endowments resolves itself into this: Is education one of those marketable commodities which the interest of rival dealers can be depended on for providing, in the quantity and of the quality required?” Retrieved from http://oll.libertyfund.org/?option=com_staticxt&staticfile=show.php%3Ftitle=232&chapter=16725&layout=html&Itemid=27.

⁸ Center for Higher Education (CHE): <http://www.che.de/cms/?getObject=302&getLang=en>.

⁹ The German Ranking does not give HEIs an individual ranking position, but rather assigns HEIs to three ranking groups, namely top group, middle group and end group. This is in order to avoid the misinterpretation of minor differences in the nominal value indicator as differences in performance and quality.

the weight of categorical funding based on the CRUCH/non CRUCH dichotomy, which, at the end of the day, tends to reproduce the status quo and inhibits competition and collaboration within the system, as well as innovation.

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