

Some Lessons from the US Higher Education Experience

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A peculiar observation

- US primary and secondary education are not world leaders
- US universities dominate the world market place
- Why are US universities successful when their other schools are not?



Fundamental problems facing Chilean higher education

As do almost all universities, universities in Chile face two severe problems:

- Lack of resources
 - Harvard, Princeton, Yale, and Stanford each have over \$1m endowment per student
- Location



Three simple recommendations

- Give money to students not institutions
- Focus select fields and avoid trap of being “full service”
- Subsidies visitors programs



Fund students not institution

- Example: US public institutions
- Advantages
 - Allow means testing of government-provided financial aid
 - Force the more efficient use of resources on the part of
 - Faculty
 - Administrators
 - Parents and students



Focus select fields and avoid trap of being “full service”

- Example: Carnegie Mellon University
- Advantages
 - Concentrate resources to achieve excellence
 - Focus on areas of comparative advantage and remunerative fields



Subsidies visitors program

- Example: The Australian National University
 - Send faculty to European and US universities
 - Visit of international faculty to the ANU
- Advantages
 - Contact with leading scholars from a variety of institutions
 - Provide information to those scholars about the programs in Chile

