

**Drivers and Hurdles to the Regulation of Education Markets:
The Political Economy of Chilean Reform¹**

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Abstract

In recent decades, privatization and market policies in education have expanded globally. Nevertheless, both national and international actors have become increasingly concerned about the negative impact of these policies on social and educational equity, and point out the need for more effective regulations to attenuate market dynamics in education. In this context, a new government came to power in Chile in 2014 with an agenda for structural education reforms. One of the most emblematic initiatives of this process (Inclusion Law) consisted of a new regulatory framework for the basic education market, prohibiting selective admissions, mandatory add-on tuition fees and the possibility of schools operating for profit. The main objective of this process of education market regulation was to tackle the high level of inequalities and school segregation, which have characterized the Chilean education system since the adoption of neoliberal reforms in the eighties.

This paper aims to interrogate the process of policy adoption of this reform from a political economy perspective, identifying which drivers, mechanisms and actors have been influential in fostering or resisting the reform. The evidence presented is based on two methods of inquiry: on the one hand, a document analysis ($n = 30$) of the most relevant policy documents produced during the reform; and on the other hand, semi-structured interviews conducted with key stakeholders ($n = 37$) directly or indirectly involved in the process of reform. The findings show how the narratives that emerged to justify the need for reform have combined concerns about the education sector, but also how educational inequalities can affect the economic and social development of the country. Although the reform initially attracted a high level of public support, the policy formulation phase was characterized by the emergence of an important opposition movement led by a diverse range of actors, including right-wing parties and private providers but also families and a significant proportion of public opinion. The final legal reform approved was significantly influenced by the emerging opposition but also by the financial, institutional and technical restrictions that the reform faced. The discussion here will lastly elaborate on the implications of the Chilean process of education market regulation from a political economy perspective, as well as the main challenges and barriers that these processes of reform can face during policy adoption.

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1. Introduction

After decades of privatization and pro-market education policies expansion worldwide, concerns about the negative effects of these policies on equity have arisen among different national and international education stakeholders. For many years, civil society organizations, NGOs and advocacy groups have repeatedly warned about the capacity of these policies to foster processes of marginalization and segregation or to undermine the right to education, particularly in developing countries and among most socioeconomically disadvantaged groups.³ More recently, these concerns have been echoed by many international organizations such as the OECD, the World Bank and UNESCO (see, for example, OECD, 2017; World Bank, 2018 or UNESCO, 2017). In this respect, these international organizations have started to point out that despite the potential positive benefits that pro-market policies can have in the education sector (e.g., diversity, innovation and effectiveness, among others), these policies must be accompanied by effective regulatory frameworks and policy designs that minimize potentially negative impacts on equity.

Global concern about the effects of privatization policies on equity have emerged in a context where equity and inclusion have gained increasing prominence in global development and education agendas (Freistein & Mahler, 2016; Unterhalter, 2019). In the education sector, this equity turn has meant that international discourse and educational development strategies have reinforced the need for national education systems to not only guarantee access to education and learning outcomes but also to adopt policies and interventions that ensure their capacity to deal with social inequalities and ensure equality of opportunities among social groups (World Education Forum, 2015; UNESCO, 2018). In this context, the possibility to balance pro-market education policies and equity emerges as one of the central debates. Although different international and national actors have pointed out that policy designs and regulatory frameworks are essential to reconcile choice, competition and equity, the evidence

³ Although mapping advocacy groups against education privatization and marketization is beyond the scope of this paper, in recent years, organizations such as the Right to Education Initiative, Education International and the Open Society Foundations have been actively campaigning at an international level against the negative effects of these policies.

available in this respect remains relatively scarce. Furthermore, an even more under-analyzed area is the adoption of policy reforms oriented towards regulation of education markets.

In this context, Chile has become a particularly interesting case for analyzing the policy process of education market regulation from a political economy perspective. In 2014, the new center-left government led an ambitious process of educational reform, which, among other issues, tried to revert or regulate some of the policies and practices established after more than four decades of an extreme market model in education (Bellei, 2016). In the case of primary and secondary education, one of the most emblematic, controversial and contested reforms discussed during this period was the Inclusion Law, which was oriented towards regulating the activity of publicly funded schools and the process of school choice. With this aim, the law prohibited operation of for-profit education providers, selective admissions and mandatory add-on tuition fees in publicly funded schools. The main objective of the research presented here is to examine the process of policy adoption of the Inclusion Law, analyzing the drivers and actors that have influenced it.

The paper is organized as follows. The first section is dedicated to summarizing the debates around the regulation of education markets, as well as the possible challenges of this process. The second section presents the framework applied to analyze the process of policy reform. The third section contextualizes and describes the main features of the Chilean education reform, focusing on the Inclusion Law, which is the main subject of analysis in the paper. The fourth section summarizes the methods applied and the data collection process. The fifth section presents the findings of the research relating to the main stages in the process of policy reform. Finally, the paper elaborates on the implications of the analysis from a political economy perspective and the policy implications of the Chilean case regarding the process of education market regulation.

2. Regulating Education Markets: Causes, Dimensions and Challenges

In the last four decades, primary and secondary education enrollment in private institutions has grown worldwide but particularly in low- and middle-income countries (Verger, Fontdevila, & Zancajo, 2016). Although the increase in private enrollment has resulted from the expansion of independent schools in some cases (e.g., low-fee private schools), more frequently, it has happened under the umbrella of some form of Public-Private Partnership (PPP) arrangement

between the State and private providers. These partnerships facilitate the expansion of private educational institutions, allowing them to receive public funding to develop their activity (Verger, 2012; Boeskens, 2016; Patrinos, Barrera-Osorio, & Guáqueta, 2009). This expansion of private provision has frequently been accompanied by an increasing role of pro-market mechanisms in education, mainly school choice and competition between schools (Musset, 2012; Forsey, Davies, & Walford, 2008; Hogan & Thompson, 2017; Gringrich, 2011).

Despite the global spread of education privatization and pro-market policies, empirical evidence has consistently indicated that these policies frequently have negative impacts on equity, particularly boosting school segregation, social stratification among schools and marginalization of the most socioeconomically disadvantaged students (Alegre & Ferrer, 2010; Waslander, Pater, & Weide, 2010; OECD, 2012; Dumay & Dupriez, 2014; Macpherson, Robertson, & Walford, 2014). Although different scholars and civil society organizations have warned about the negative effects of privatization and marketization for many years, these concerns have only recently been incorporated into the discourse and narratives of different international organizations such as the UN Human Rights Council (Human Rights Council, 2015a, 2015b; UN, 2014), the OECD (OECD, 2012, 2014, 2019) and UNESCO (UNESCO, 2017). Even the World Bank, a historical privatization and pro-market policies advocate (Mundy & Menashy, 2014; Verger & Bonal, 2011; Klees, 2012), has recognized that the expansion of private provision can produce negative effects on most socioeconomically disadvantaged populations and can even ‘undermine the political constituency for effective public schooling in the longer term’ (World Bank, 2018: 177).

As a result of increasing concern about the effects of privatization and pro-market policies on equity, different international and national actors have begun to focus on how policy designs and regulatory frameworks can inhibit or compensate for these negative effects. Despite the limits of existing evidence on the impact of pro-market policy designs, it is possible to identify some features that have captured the greatest interest. On the supply side, various studies have shown that selective admissions or charging families and students add-on tuition fees are possible sources of segregation since these practices make it more difficult for most socioeconomically disadvantaged students to access some schools, increasing social stratification particularly between public and private subsidized schools but also within the private sector (Fiske & Ladd, 2000; Wylie, 2006; Hsieh & Urquiola, 2006; Jabbar 2015; Jennings, 2010; Elacqua, 2012; Alves et al., 2015; Boeskens, 2016; OECD, 2019). Nevertheless, the presence of for-profit providers remains a more controversial issue in terms

of the regulation of education markets. This can partly be explained by the fact that the presence of for-profit schools is limited to a few national education systems, which reduces the empirical evidence and, therefore, renders it inconclusive (Boeskens, 2016).⁴ While advocates of for-profit operation consider that profit gives some education providers the necessary incentive to access the market, foster competition, and increasing diversity and effectiveness (Friedman, 1955; Lieberman, 1989; Lewis & Patrinos, 2011), critics warn about the possibility of corruption or that not all public funding would be intended for educational activity (Levin, 2001; Abrams, 2016). A recent scoping review of the literature shows that PPPs which do not allow for-profit schools, selective admissions or add-on tuition fees tend to obtain better outcomes in terms of equity (Verger, Moschetti & Fontdevila, 2019). On the demand side, the central debate revolves around the design of school-choice schemes. Evidence in this regard shows that some designs of controlled choice (i.e., catchment areas), combined with allocation mechanisms based on the socioeconomic characteristics of the students, can contribute to reducing the relationship between residential and school segregation (Musset, 2012). Another feature of school choice designs that has captured significant attention is information systems oriented towards informing families during the process of school choice. While information systems are usually presented as devices that can equalize the process of school choice among different social groups (UNESCO, 2017; OECD, 2017), some authors have pointed out that most affluent families tend to use information to a greater extent than socioeconomically disadvantaged ones or that they are more skilled in interpreting it (Karsten, Visscher, & de Jong, 2001; Schneider, Elacqua, & Buckley, 2006; Elacqua & Fábrega, 2006).

Beyond the effectiveness of policy designs and regulatory frameworks, another unexplored area associated with the regulation of education markets is the political economy of these policy reforms. The case of French-speaking Belgium, which has a long-standing education market, is an exception to this and illustrates some of the possible challenges and barriers that these reforms can face from a political economy perspective. Between 2007 and 2010, the government of the French-speaking community developed a process of school choice regulation, largely in response to increasing concerns over school segregation that had emerged a few years previously (Dupriez, Barbana, & Verhoeven, 2018; Calvo Gil, Ferrara, & Friant, 2017). Despite the basic principles that guide this regulatory process, political discussion and

⁴ Among OECD countries, Boeskens (2016) only identifies three with a significant percentage of for-profit providers: Chile, Sweden and some American states.

adoption of these measures were characterized by a significant level of resistance and opposition, as well as controversial public debate. Opposition to the new regulations was led by the liberal party, Catholic education providers and families' organizations from Catholic schools (Delvaux & Maroy, 2009). For Galand (2007, cited by Demeuse & Friant (2011)), resistance appeared for two main reasons. First, the new regulations revealed hidden historical differences among schools in terms of the popularity or socioeconomic status of their population. Second, for some parents and school principals, the new regulations were perceived as a threat to their previous privileged situation.

As the case of French-speaking Belgium illustrates, reforms modifying regulation of education markets are affected by how the legacy of privatization and pro-market policies alters the preferences and dispositions of different actors, including public opinion, regarding the nature and role of education. As Rizvi (2016) summarizes, privatization and pro-market policies do not only alter how education is provided and 'consumed' but also 'have the potential to redefine the very nature of education' (p. 8). As different case studies have shown (Gewirtz, Ball, & Bowen, 1995; Jabbar, 2015; van Zanten, 2009; Woods, Bagley, & Glatter, 1998), Rizvi (2016) affirms that competitive environments have the capacity to alter the culture of schools, management processes and the way in which they engage with their external environment, emphasizing market value over other considerations in terms of their social role. Similarly, Cribb & Ball (2005) point out that privatization and marketization not only alter how provision of the education service is organized but also modify the goals, motivations and dispositions of actors regarding education. The authors refer to these changes as the 'ethical effects' of privatization. These ethical effects are the direct consequence of how privatization policies modify: 1) goals (more focused on outcomes in terms of performance or even profits); 2) obligations (establishing the need to compete); and 3) the values of educational actors (increasing the importance of instrumental values). On its part, Ball (2004) states that one consequence of privatization is that educational actors (e.g., families, students, teachers and schools) tend to assume market cultural values in a process that the author characterizes as commodification of education. These social effects of privatization and marketization not only affect how actors interact with each other but also their discourse and practices.

Similarly, other authors have explored how privatization and market mechanisms can alter educational actors and public opinion attitudes and preferences for education. For example, Busemeyer & Iversen (2016) demonstrate that the existence of private alternatives can significantly reduce middle- and upper-middle-class support for public provision of social

services, including education. The possibility of opting out from public options for private alternatives allows middle- and upper-class individuals to access high-quality services and a certain level of exclusivity. These same authors also show how the presence of private alternatives can reduce support for public education spending (Busemeyer & Iversen, 2014). Carnoy (2003) considers that privatization and market-oriented reforms can be difficult to reverse since they inevitably generate interest groups (e.g., private providers or families with children attending private schools), which can be harmed by new regulations. Finally, the way in which marketization influences attitudes towards the education system and schooling among those on the demand side has also been examined from a sociological perspective. In this sense, the evidence shows that frequently the value that families and students give to choice and private alternatives is not necessarily intrinsic but rather a way to avoid schools with students from different social or ethnic backgrounds (Exley, 2014). Studies in different contexts have shown that there is a tendency, particularly among middle- and upper-class families, to conceptualize choice as a means of achieving some level of social closure, which fosters school segregation (Ball, 2003; Schneider, Teske, & Marschall, 2000).

3. Analyzing Policy Change: The Cultural Political Economy Approach

As Hay (2002) points out, analyzing policy change from political science or political sociology perspectives has been a challenging subject of inquiry due to the dynamic nature of the factors, actors and power structures involved. Analyzing policy reform in relation to political economy necessarily involves exploring how political, social and economic factors and dynamics affect the process and its outcome, as well as how these factors evolve over time (Novelli et al., 2014).

Although various political economy approaches can be adopted to characterize and analyze the process of policy reform or institutional change (Heikkila & Cairney, 2018), the Cultural Political Economy (CPE) proposed by Bob Jessop provides a useful framework with which to operationalize and systematize analysis of the reform process. Jessop (2010) identifies three main ‘evolutionary mechanisms’ that take place during the process of policy change, namely variation, selection and retention. Variation refers to the process of policy domain problematization, understood as the capacity of some actors and drivers to challenge the established policy orientation or practices in a specific domain and highlight the need to review existing policies. The selection mechanism operates when different, frequently competing,

policy proposals are presented to address issues identified during the process of problematization. During this process, different actors involved in the process of policy change try to impose their policy solutions, presenting them as the most effective and feasible for addressing the problems identified. Finally, retention is conceptualized as the process of institutionalization of new policies, from legal texts to daily practices of the actors involved. However, Jessop (2010) does not necessarily refer to these mechanisms as a linear sequence but rather as heuristic devices with which to analyze and structure different events, drivers and contingencies that affect and influence the process of policy change.

The second key contribution of the CPE is its capacity to explore how ideas can be essential drivers that influence, foster or inhibit the processes of policy change. While theoretical approaches to policy reform have traditionally obviated the role of semiotic factors as drivers of change, in recent years, ideational explanations have acquired increasing importance for interpreting why and how policy change takes place, a trend that has been denominated as the ‘ideational turn’ (Gofas & Hay, 2010). For the CPE, inclusion of ideas in the analysis of policy change does not necessarily mean establishing a dualism between semiotic and material factors (e.g., economic, institutional or political) or the understanding that material factors shape ideas, but rather it involves exploring the dialectical relationship between the two types of drivers during the process of policy change (Hay, 2002). In this sense, there are various approaches, frequently complementary, to analyzing how ideas influence and shape the process of policy change (Tønder, 2010). While institutional approaches consider that ideas exert an influence because they are embedded in institutions, constructivism considers that ideas affect the perceptions of decision-makers and can configure the interest of actors (Hay, 2011; Tønder, 2010). From a CPE perspective, ideational drivers can play essential but differing roles during the process of policy change. For example, ideas and discursive frames are frequently essential to understanding the process of variation of a specific policy domain but also as a way of presenting a policy solution as more feasible or politically viable during the process of selection (Verger, 2014).

The increasing importance given to ideational factors in terms of explaining and analyzing the process of policy change has given rise to the need to identify different types of ideas and determine how they affect policy change in different ways or through different mechanisms. In this regard, Campbell (2002, 2004) has proposed a typology of ideas that intervene in the process of policy change: first, paradigms, which Campbell (2002) defines as ‘taken-for-granted descriptions and theoretical analyses that specify cause and effect relationships, that

reside in the background of policy debates and that limit the range of alternatives policymakers are likely to perceive as useful' (p. 22); second, programs that act as roadmaps, guiding policy change within a specific context of institutions and policy instruments; and third, frames that refer to the ideas developed by decision-makers to legitimize and present their policy programs as feasible (Campbell, 2004).

4. The Chilean Education Market reform

In 2014, a new center-left government came to power in Chile, led by Michelle Bachelet. After several years of social unrest as a consequence of student mobilizations against education marketization and privatization, Bachelet's electoral manifesto placed educational reform as one of the three main structural reforms that the country needed urgently, alongside tax and constitutional reform (Bachelet's electoral manifesto, 2013). The general education reform guidelines contained in the electoral manifesto included all educational levels from preschool to higher education, and the initiatives proposed were mainly focused on regulating market mechanisms as a way of tackling the high levels of segregation, educational inequalities and access barriers, as well as safeguarding the right to education.

However, it is important to point out that the educational reform proposed by the new government was not the first attempt to address high levels of segregation and social stratification in education as a consequence of pro-market policies. In 2006, the Presidential Advisory Council for the Quality of Education was constituted in response to secondary student mobilizations that took place during the same year (Santa Cruz, 2016). As a result of this process of deliberation, two major policy initiatives were adopted, the first of which was the new General Education Law (known by the acronym LEG in Spanish) passed in 2009, which, among other issues, prohibited selective admissions in primary education and established new requirements and financial accountability standards for private schools receiving public funds (Bellei, 2015). Nevertheless, despite the new regulation limiting selective admissions, this did not mean the disappearance of this practice because of the development of informal processes of selection and the fact that the new regulation was not totally clear regarding the process in the case of schools that were oversubscribed (Mena & Corbanlán, 2010; Treviño, Salazar, & Donoso, 2011; Contreras, Bustos, & Sepúlveda, 2010). A second major initiative approved during this period was the Preferential School Subsidy (known by the acronym SEP in

Spanish), which provided additional public funds to schools depending on the number of socioeconomically disadvantaged students enrolled and prohibited schools from charging fees to these students. Another requirement established for schools as a condition of receiving these additional funds was the development of a plan to improve their academic results. Although the Preferential School Subsidy has been relatively effective in increasing the academic performance of participating schools, it has had little or no effect on reducing school segregation (Valenzuela, Villarroel, & Villalobos, 2013; Valenzuela et al., 2015; Raczynski et al., 2013).

Despite the reforms adopted after the first student mobilization process in 2006, the climate of social unrest continued, and, in 2011, the country experienced the most important mobilization since democracy was restored. This time, university students led the protests against privatization and the high cost of higher education, but mobilizations soon adopted a broader scope, challenging the education model inherited from the military dictatorship and high level of educational inequalities (Cabalin, 2012; Bellei & Cabalin, 2013).

During the four years of the second Bachelet government (2014–2018), what was denominated by the government as the ‘educational reform’ involved 59 different initiatives, including new laws and specific intervention programs (Centro de Estudios Mineduc, 2017). In the case of primary and secondary education, three main legal reforms have been at the forefront of this process. First, the Inclusion Law, which entailed the prohibition of selective admissions, add-on tuition fees and for-profit schools. Second, the New System of Teacher Professional Development, which, among other objectives, was oriented towards establishing a common regulation of the teaching profession for public and private subsidized schools. Third, the New Public Education law, which recentralized the management of public schools from municipalities to regional institutions managed by the Ministry of Education and other regional entities.

Of these reforms, the Inclusion Law has been one of the most emblematic because it was the first initiative presented by the government, and it has been the most controversial at political and public levels. Table 1 summarizes the main dimensions regulated by the Inclusion Law, the situation before the reform and the key features of the final regulation after approval. In terms of student selection, the new regulation completely prohibited the possibility of conducting selective admission processes, regulated student expulsions and established a new centralized process of student admissions managed by the Ministry of Education. The

possibility of schools charging mandatory fees was also eliminated, but this measure will be implemented gradually over the coming years. As a way of compensating schools for resulting financial losses, the government approved an increase in funding for those schools not charging fees to families. Finally, for-profit operation was prohibited for publicly funded schools, forcing them to register as not-for-profit institutions before the end of 2017.

Table 1

Main issues regulated by the Inclusion Law

Dimensions	Previous situation	New regulation
Selective admissions	Although student selection was explicitly prohibited for socioeconomic or academic reasons in 2009, these practices were still prevalent, particularly among private subsidized schools (Contreras et al., 2010; Carrasco et al., 2014).	Schools are not allowed to select students based on any criteria. A new centralized admissions system will be implemented gradually for all publicly funded schools (public and private). Student expulsions are also regulated.
Add-on tuition fees	The possibility of charging mandatory fees to families was allowed for private subsidized schools in primary and secondary education, and for public secondary schools.	Schools receiving public funds will not be allowed to charge families mandatory fees. This prohibition will be applied gradually, and the new regulation also provides for an increase in public funding received by schools in order to compensate for the reduction in financial resources.
For-profit schools	For-profit operation was allowed for publicly funded private schools in primary and secondary education, and for public schools in secondary education.	From 2018 onwards, all schools receiving public funds should be not-for-profit institutions.

Source: adapted from Muñoz & Weinstein (2018)

5. Methods and Data

The methods applied in this research are grounded in a qualitative approach. The first method of inquiry applied was an analysis of the main policy documents, reports, congressional proceedings and political discourses elaborated and released during the process of educational reform, particularly those related to the Inclusion Law. Table 2 summarizes the main typologies and the number of documents analyzed.⁵ The main objective of the document analysis was to identify the discursive frames of the different actors involved in the process of policy

⁵ A complete list of the documents analyzed is available from the author upon request.

discussion, as well as to understand the main issues raised during the political debate and technical design of the reform. At the same time, this method has also been useful as an entry point to the process of policy reform. All the documents analyzed are publicly available and are cited with the original reference in the following sections of the paper.

Table 2

Typology of documents analyzed

Typology	Number of documents
Political speeches	5
Government documents and reports	6
Congress and Senate proceedings	3
Think tanks and civil society public documents	8
International organizations' documents and reports	8
Total	30

The second method applied in the analysis was semi-structured interviews with key stakeholders directly or indirectly involved in the process of reform. The sample of stakeholders was based on mapping of the most relevant organizations and government officials involved in the design and discussion of the Inclusion Law, mainly through the documents analyzed previously and following a snowball strategy during the first interviews conducted. The fieldwork was carried out between 2018 and 2019 after the new government had come to power in Chile and the process of reform had been completed. The interviews focused on the whole reform process with particular emphasis on the Inclusion Law, and specific questions depending on the typology of the actor being interviewed. Table 3 summarizes the number of interviews carried out for each type of actor.

Table 3

Key stakeholders interviewed

Typology	Code	Number of interviews
Ministry of Education officials	MoE	12
Ministry of Education advisers and academics	ADVISER	9
Private providers and families' organizations representatives	PRIVATE SECTOR	4
Students and teacher unions representatives	UNION	5
Think tank and civil society organization representatives	THINK-TANK	7
Total		37

Interviews were coded and analyzed based on the three main stages of the policy adoption process: variation, selection and retention. For each stage, the main drivers, discursive frames and actors involved (reported by the stakeholders interviewed) were identified. In order to guarantee confidentiality, references to interviews and quotations have been anonymized using different codes depending on the type of actor.

6. The Process of Reform of the Chilean Education Market

This section is organized according to key policy moments in the education market reform, identified during the analysis. Although the analysis was structured according to the three evolutionary mechanisms proposed by the CPE, the particularities and contextual specificities of the policy change analyzed generated some overlaps between variation, selection and retention evolutionary mechanisms. The first part of the section explores why and how the education market in Chile emerged as a policy problem and was prioritized in the national policy agenda. The second part refers to the discussion of the initial reform proposal made by the government to address the main problems and challenges previously identified. Finally, the third section is dedicated to analyzing how and under what circumstances the policy reform was finally embedded in the regulatory framework.

Problematizing the Education Market: Variation

In Chile, debates around the role and effects of the education market have been present for many years.⁶ However, it was in 2006, as a consequence of the first massive student mobilizations, when debate around the Chilean education market model acquired a central role in mainstream public debate and the political agenda (Bellei & Cabalin, 2013; Sant Cruz, 2016). Although the 2006 student protests can be identified as the initiator of the process of education market problematization, it was fostered in different discursive frames and involved a diverse range of actors. However, based on the analysis, it is possible to summarize this process of problematization into two main sources according to whether they are or are not directly related to the education sector.

In the field of education, concerns over educational inequalities, which in recent decades have characterized the Chilean education system, appear to be the main driver of problematization. The high level of school segregation in the Chilean education system became of particular concern nationally when the country was repeatedly identified as having one of the most segregated education systems among OECD countries (Valenzuela, 2008; OECD, 2016). Aside from ethical or moral considerations associated with the uneven distribution of pupils, from a more instrumental point of view, social stratification among schools and school segregation were also identified as the leading causes of stagnating academic performance and the socioeconomic achievement gap, as well as the gap between public and private schools (THINK-TANK14; MoE2). In a context where inequalities emerged as one of the main challenges for the Chilean education system, student mobilizations in 2006 and 2011 were successful in establishing in public debate a direct relationship between the market-oriented education model inherited from the dictatorship and the high level of educational inequalities (MoE3, 20, 25, 27, 35, 37; PRIVATE SECTOR4, 30; THINK-TANK9, 33, 36; UNION21, 28, 31; ADVISER24). Indeed, the process of mobilization that started in 2006 became a turning point in terms of the scope of student and civil demands for structural reform. As the following quotation summarizes, the 2006 mobilizations rapidly switched from practical claims (i.e., scholarships or transport discounts) to demands for structural reform:

⁶ See, for example, Bellei (2015) or Falabella (2015) for an analysis of the most important education policy developments and debates in Chile since the eighties.

In contrast to the mobilizations developed before, in the nineties or 2001... that had to do with students' demands and claims regarding scholarships, credits to study, the school pass [public transport discount], [...] in 2006, a turnaround at political level takes place, which is very interesting. It has to do with a transversal critique of the educational model that was adopted in the dictatorship, which is the education market model. This model transforms the educational system and access into a market good. The extension of coverage, in the case of higher education, occurs mainly at the expense of strengthening private education, which destroyed public education. In 2011 these protests continued with these important mobilizations that are known worldwide. (UNION21).

Scientific evidence also played an important role in the process of problematization. For several years, a diverse range of Chilean scholars produced substantial evidence of the negative effects or unintended consequences of pro-market and privatization policies on equity and the overall effectiveness of the education system. This evidence contributed to consolidating the idea of the causal relationship between pro-market policies and educational inequalities. At the same time, the evidence produced during this period also strengthened the idea that 'adjustment reforms' implemented during previous decades faced important limitations in terms of tackling educational inequalities, justifying the need for structural reform (MoE2, 7; UNION31; THINK-TANK, 12). This process of 'knowledge accumulation' (ADVISER19) was particularly useful for progressive think tanks, civil society organizations, grassroots movements and other political actors, enabling them to support and frame their criticism of pro-market policies using an evidence-based approach⁷ (ADVISER19, 24; MoE25; THINK-TANK36). The accumulation of scientific evidence also appears to have been a determining factor in building a shared consensus among a diverse range of policy actors and civil society organizations on the need for structural reform, overcoming the ideological discussion and sometimes framing it as a technical one.

Beyond the central role played by students organizations and academics, advocacy groups and progressive think tanks have also contributed significantly to the process of problematization. These actors brought together the process of social unrest fostered by student and civil mobilizations, and the more technical approach of the academic and research world. These organizations were oriented towards disseminating the evidence accumulated during previous decades through different activities, such as conferences, public events, policy papers and manifestos. These activities focused on supporting the process of mobilization led by

⁷ An example of how academic evidence has made an important contribution to the process of reform is the fact that the president's message attached to the initial Inclusion Law project included references to 27 pieces of research to justify the new regulations (Biblioteca del Congreso Nacional de Chile, 2017).

student organizations and generating specific reform proposals that were particularly successful in reaching political actors (THINK-TANK14, 9; ADVISER19; MoE20).

The discursive framework summarized above and mobilized by different actors was directly assumed by the center-left political spectrum. The following quotation from Bachelet's electoral manifesto illustrates how the need for structural reform in education and the focus on the regulative dimension was embedded as part of her policy proposals to tackle educational inequalities:

The education system must promote integration and social inclusion at all levels. We cannot forget that the current rules and norms have led us to be one of the countries whose school system is one of the most socially segregated. The State must actively address this situation. (Bachelet, 2013).

The second source of problematization identified does not strictly refer to the field of education but to the country's economic and social development strategy. This approach to justifying the need for educational reform was led by influential political stakeholders and intellectuals (some of whom were later appointed as members of the new government or advisers) who were close to the center-left coalition and to its presidential candidate in particular. These stakeholders considered that the high levels of social inequalities in Chile were not only undesirable from a moral or ethical point of view but also because of their negative impact on economic, social and political spheres (Atria et al., 2014) and the fact that they could act as a barrier to economic development (MoE6, 27; ADVISER26).⁸ In this approach, educational reform appears to be one of the policy solutions aimed at addressing the problem of social inequality.

This source of problematization was grounded in the assumption that the 'Chilean model' of development (based, among other features, on market-led public policies) was no longer able to respond to the economic and social challenges of the country. Although this approach did not emerge among educational actors, the education system was identified as being one of the key drivers of social inequalities but, at the same time, one of the main policy domains that can contribute to reducing these disparities (MoE2, 6; ADVISER, 26). From this point of view, a drastic change of the rules regulating the education market was deemed necessary to reduce educational disparities, tackle social inequalities and foster more inclusive economic and social development. Indeed, this process of educationalization of social

⁸ Chile is the country ranked second highest among OECD countries (after Mexico) in terms of income inequality measured by the Gini Index (OECD, 2016).

inequalities and development barriers fostered the need for educational reform as a national political priority.⁹ In fact, some of the stakeholders involved in this source of problematization consider that the climate of social unrest fostered by the student mobilizations became a window of opportunity for bringing about policy change and widening debate on the validity of the development model adopted in the eighties (MoE16, 27; ADVISER19; UNION21, 22).

The social movement was an excuse. It was merely an excuse. That is to say, the diagnosis of the high levels of inequality in Chile, measured both cross-sectionally and dynamically, show that Chile is a highly unequal society with low levels of social mobility. [...] The urgency of working on the issues of inequality existed long before the students' movement; in fact, when you do the empirical analysis with microdata and try to model the determinants, you realize that education plays a central role in explaining or helping to understand this dynamic of inequality. (ADVISER26).

As the above quotation summarizes, this source of problematization considered educational reform as part of a broader agenda of reforms and transformations of Chilean public policies. To some extent, this extra-educational approach to educational reform contributed to increasing support among those actors not necessarily related to the education sector but concerned about the development agenda and strategy of the country. The importance and the role of this source of problematization is demonstrated by the fact that it was clearly embedded in the discursive framework developed by Bachelet during the electoral campaign to justify the need for educational reform.

The need to solve the inequality gaps we have today requires us to make profound and structural changes. The most important of these transformations will allow us to move towards more equitable and quality education at all levels. It will not only produce greater social inclusion, benefiting the thousands of children and young people and their families who want to improve their well-being; it will also allow numerous professionals and technicians with increasing levels of qualification to give the boost that our economy needs. We cannot afford to dispense with the talent, creativity and drive of all our citizens. (Bachelet, 2013).

Beyond the different educational, social and economic factors explaining the process of problematization, there is a political driver that is essential to understanding why the center-left coalition assumed, at least at the discursive level, the need for structural reform of the education market as one of the main policy priorities. Following the restoration of democracy in 1990, the center-left coalition (*Concertación de Partidos por la Democracia*) held the presidency of the country without interruption until 2010 when the right-wing candidate won

⁹ Educationalization of social problems is a term employed to characterize the process of assigning education the task of tackling perceived social problems in other domains (Smeyers & Depaepe, 2008; Tröhler, 2017). In the context of this research, the term is used to characterize discursive frames that consider education to be the principal policy domain for reducing social inequality.

the presidential election. The loss of power generated an in-depth process of internal debate within the coalition regarding changes necessary in order to win the next presidential election. As a result of this debate, the coalition incorporated new left-wing parties (among them, the Communist Party), establishing a new, reformed coalition denominated the ‘New Majority’ (*Nueva Mayoría*). This process of reform not only had consequences in terms of the political parties taking part in the coalition but also on an ideological level. In fact, the presidential candidate Bachelet also assumed a different ideological approach in her electoral manifesto, moving away from the ‘third way’ approach that had characterized the center-left coalition historically (ADVISER10, 11, 19; PRIVATE SECTOR5; UNION21, 28). However, other stakeholders claim that the main reason for the center-left coalition and presidential candidate embracing educational reform was for electoral reasons; that is to say, as a way of gaining public support and co-opting social movement in favor of educational reform (THINK-TANK 9; UNION21; MoE25, 27, 16).¹⁰

Shaping the Reform of the Education Market: Selection

In May 2014, the government presented the first project of the Inclusion Law to Congress. The government framed the need for this reform and its expected benefits by combining three key arguments that related closely to those articulated by other actors during the process of problematization. First, the need to eliminate barriers and mechanisms of exclusion (i.e., selective admissions and school fees) that impede equal access to education as the main way of reducing ‘structural inequalities of the education system’ (Presidential message, 2014: 5). In this sense, the legal project was presented as a means of switching the paradigm that had characterized the Chilean education system since the eighties, from considering education as a ‘consumer good that is traded in the market’ (Presidential message, 2014: 4) to a social right. The second argument to justify reform was the idea that reducing educational inequalities was a necessary step to tackle the high level of social inequality in the country. In this regard, the government tried to reinforce the idea that a new regulatory framework was essential to

¹⁰ In terms of the role played by educational reform during campaigning, it is important to bear in mind that since the student mobilizations in 2005 and 2011, education has consistently been identified in public opinion polls as one of the main problems faced by Chileans.

promote educational inclusion and improve the situation of the most disadvantaged social groups, which would have a positive impact on social inclusion in the medium- and long-term. Finally, the third main argument employed to justify the policy initiative related to the country's development strategy. The government framed the reform as a way of increasing social inclusion within the national education system and as an essential requirement to becoming a developed country. The following quotation from the presidential address illustrates this approach: 'Chile has understood that it cannot be a developed country if it does not have a quality education system for all.' (Presidential Message, 2014: 4).

Although the reform project represented a significant challenge to the policies and practices of the Chilean education system since the eighties, the government and other actors supporting the proposed new regulation considered that the political, institutional and social contexts were favorable to approve a reform of structural nature for two main reasons. First, because it was the first time since democracy was restored that the center-left parties had the majority of seats in both the Congress and the Senate.¹¹ This majority was necessary in order to pass structural reforms for which the Chilean constitution demands a qualified majority voting.¹² (ADVISER1, 19, 24; THINK-TANK9, 34 MoE20; PRIVATE SECTOR4). The second reason was because president Bachelet and the proposal for educational reform enjoyed a high level of public support as reflected in the percentage of the vote she obtained during the presidential election and different opinion polls released before and after she came to power (ADVISER18, 1; MoE3, 20; THINK-TANK34; ADCA26). Indeed, in her first speech announcing the beginning of the process of reform and the Inclusion Law in particular, Bachelet claimed that there was widespread support for the reform, presenting reform as a social consensus rather than an ideological matter: 'It is not a mystery to anyone that today

¹¹ Parliamentary elections took place at the same time as presidential elections (November 2013). Although the center-left coalition that won the presidential election did not achieve the necessary majority to pass structural reforms, the sum of other left-wing parties made a majority possible.

¹² The current Chilean constitution was approved in 1980 during the dictatorship. This legal text was mainly oriented towards ensuring continuity of the neoliberal model established during military rule as illustrated in the following quotation from one of the authors: 'If the adversaries manage to govern, they would be constrained to follow a course of action not so different from what one would long for. The margin of alternatives that the playing field imposes in fact on those who play on it, is small enough to make the opposite extremely difficult.' (Jaime Guzman cited by Atria et al. (2014)).

there is an agreement in the country about the need to make profound changes in educational matters.’ (Bachelet speech, 2014: 7).

However, despite the supposed social consensus, public support for the educational reform decreased significantly, as various opinion polls showed, in parallel with the process of policy discussion of the Inclusion Law in the Congress and Senate (PRIVATE SECTOR5; ADVISER24; UNION28). In this regard, the decrease in public support can be explained by the emergence of different active sources of opposition to the reform. First, opposition emerged from right-wing parties (i.e., UDI and Renovación Nacional), as well as by those think tanks ideologically close to them (e.g., Libertad y Desarrollo or Acción Educar, among others).

Beyond the specific arguments against each of the issues regulated by the reform,¹³ for the right-wing political spectrum, the Inclusion Law was intended to amend the essential principles that had characterized Chilean education in previous decades. First, by drastically altering the subsidiary role of the State. For these actors, increasing the level of regulation of the education market meant a more active role on the part of the State in the functioning of the education sector. Second, related to the previous argument, these actors also stated that the new law was a threat to freedom of instruction and the capacity of private actors to set up their own schools as it significantly extended the conditions and rules that private actors had to abide by in order to participate in the education system. Finally, the new regulation was also perceived to restrict families’ capacity to choose because of the likelihood of fewer publicly funded schooling options available and even a threat to their supposed right to contribute financially to the education of their children through school fees (THINK-TANK12, 34, 13; LyD, 2014). Overall, the new regulation was considered to be a structural institutional change rather than specific regulatory reform as summarized in the following quotation:

I believe that the intention was to modify the foundations. [...] Even worse, this is not only about the education system, but there is a logic behind it, and the logic behind it is to finish with the subsidiary state at the end. What does it mean? If the State passed money to you, you have to do what I say as the State. [...] The Chilean constitution... and the Chilean political system, the economic system, etc., are deeply subsidiary where we have a restricted State. (THINK-TANK34).

The second source of resistance to the reform was led by organizations of private providers (i.e., CONACEP and FIDE). In addition to these, the Catholic Church (which owns

¹³ See Bellei (2016) for a complete review of the arguments against prohibition of for-profit operation, selective admissions and add-on tuition fees from different actors opposing the reform.

and manages around 20% of private subsidized schools and represents 30% of enrollment in this type of school (Almonacid, 2008)) also played a significant role in opposing the reform but in a subtler and less public way than the other two private provider organizations (MoE3). The concerns of these organizations related to the effects of the new regulation on their members. For them, eliminating add-on tuition fees would jeopardize the financial situation of private subsidized schools. At the same time, the prohibition of for-profit operation would negatively affect those owners who had made significant prior investments in their schools. These organizations campaigned against the reform but also negotiated with the government. Some of the proposals made by these organizations during the negotiation process were to regulate the level of profit of publicly funded private schools, to tie profit to the achievement of certain quality standards, to allow families' financial contributions and to allow selective admissions under certain circumstances (PRIVATE SECTOR5, 29).

Finally, the third source of resistance to the reform was voiced by sections of the public, particularly families with children enrolled in private subsidized schools. Indeed, two organizations comprising parents of private subsidized schools were created in the context of political discussion about the Inclusion Law (i.e., ANAPAF and CONFEPa), and these led public opposition to the new regulation. Promoters and opponents of the reform have argued that the emergence of this source of opposition is mainly explained because 'The Inclusion Law is a deeply contracultural reform.' (MoE16). Most stakeholders interviewed reported that the reform was challenging because drastically altered the neoliberal educational principles set up in the eighties and firmly embedded in the social values and dispositions of public opinion regarding education (THINK-TANK12, 14, 33; ADVISER10, 26; MoE16, 3, 6, 8, 20; PRIVATE SECTOR29; UNION28).

These reforms finally clash with the rooted culture of Chilean society, and strongly in the educational system that has been an expression of the neoliberal model in Chile, and that expression and the rooting of that culture are much stronger than one believes given the mobilization from 2006–2011. [...] The cultural substrate basically means the value that society assigns to freedom of choice, a poorly understood freedom of choice, freedom and the value of paying for rights and differentiation, the value of that self-segregation. (MoE3).

Part of the public dissent, mainly among working- and middle-class backgrounds social groups, was based on the belief that the new regulation would eliminate established social segmentation that had characterized the Chilean education system in the past and, therefore, their capacity to achieve some level of social closure through market mechanisms (MoE20; ADVISER1, 26; PRIVATE SECTOR29). However, other stakeholders interviewed pointed out that segmentation of the education market and market mechanisms are not necessarily

valued by families as a means of obtaining social distinction but because allow them to avoid the risks of low quality education and the insecurity which characterizes many non-selective and free public schools (ADVISER10; THINK-TANK12). The following quotation from a representative of one of the family organizations combines both approaches to explain and justify why they campaigned against the Inclusion Law:

We were very clear in some of the commissions and with some legislators to whom we talked about this. We told them that the Inclusion Law ended with the middle class, and in what sense did we say that? If private subsidized schools became fully publicly funded, the education system would be segmented into two strata: the high, which is private independent education, and the public one, ok? The middle-class segment, which we belong to and who made an effort to invest in education for their children in private subsidized schools, was being eliminated at the stroke of a pen. Why? Because that was the segment of people who made an effort. Many did not even belong to the middle class but the segment below middle class, but they were making an effort to have their children in these private subsidized schools. (PRIVATE SECTOR4).

Even though, as mentioned earlier, the reform represented a significant turning point in regulation of the education market, policymakers in charge of the policy process and stakeholders actively supporting the reform did not expect public support for the reform to decline as much as it did during the legislative process. While it was expected that right-wing parties, think tanks and private providers would try to resist the process of reform, the reaction of part of the public opinion was unexpected (MoE2, 3). In this sense, all the stakeholders taking part in discussions within the Ministry of Education to develop the reform and legislative strategy agreed on the fact that public opinion and families from private subsidized schools were not considered as a possible source of resistance to the reform.

I think it was assumed that this was a law that was going to have massive approval, that it was to be a popular law. Of course, there was going to be lobbying, for example, from the owners of private subsidized schools as free education is an issue that had big support; non-selection in the positive sense of non-segregation had been a demand. I believe that here there was an explicit maneuver of the right-wing political spectrum to create tension; I mean that pressure from parents for selection and for payment was a constructed thing. (MoE2).

For many of these stakeholders, beyond the cultural challenge that the reform supposed in the Chilean context, the opposition that emerged among families and public opinion can be explained by three main exogenous factors. First, the fact that despite relative consensus on the problems of the education market, most people had a vague idea of the specific contents of the reform and how it was going to affect their particular situation (ADVISER11; THINK-TANK12; MoE16, 20). Second, the role played by the mass media highlighting and emphasizing the position of the actors opposing the reform over those favorable (Molina, 2017; Carimán, 2014; Cabalin & Antezana, 2016), which was even described by president Bachelet

as a ‘terror campaign’ (ADVISER10, 26, 24; MoE3, 2, 20; THINK-TANK12).¹⁴ The mass media focused on pointing out the potential negative effects of the reform, for example, the possibility that some schools might have to close or the uncertainties of the new admissions system.

There was a campaign to spread the fear that this was going to be a failure [...] That is to say, this is actually taking us to the cliff; we don’t know where we are going. At that time, the mass media tried to install this idea, and in Chile, mass media framing is done by the written press and TV. They follow, and they are absolutely monopolized by the right wing, so they generate a crisis, and that affects your popularity and so on. I believe that with Bachelet these issues happened, and I think that it ended up also obviously affecting the viability of what we are talking about because it was causing the reform to lose support. (MoE3).

The third factor pointed out that the decrease in public support for the reform was due to the government’s failure to design an effective communicational strategy on the benefits of the reform, as well as some communicational errors made during discussion of the reform project (ADVISER10; MoE3, 6).

Crystallizing the Reform: Retention

Broadly speaking, the reform finally approved included all the dimensions and key contents of the initial project proposed by the government (Muñoz & Weinstein, 2018). Nonetheless, it is possible to identify some specific changes made to the reform initially proposed. Two main factors can explain the amendments made during the legislative process. On the one hand, the need to overcome technical and financial restrictions that emerged during the legislative process. On the other hand, the attempt to reduce opposition and resistance among private providers, families and public opinion (as described in the previous section) (ADVISER1; MoE2, 7, 27).

One of the main differences between the initial project and the law finally approved was increased graduality for implementation of the prohibition of add-on tuition fees. This change was adopted to ensure that private subsidized schools with higher levels of fees would not lose the level of funding they received through vouchers and families’ contributions

¹⁴ Bachelet, M. (October 28, 2014). ‘No somos ni un país ni un Gobierno populista’. (J. Moreno, Interviewer). *El País*. Retrieved from https://elpais.com/internacional/2014/10/28/actualidad/1414536548_801002.html.

(ADVISER24). Although those schools eliminating fees would see an increase in the level of public funding they received ('gratuity grant'), the government faced budgetary restrictions when giving financial compensation to schools with higher levels of fees (ADVISER1, 24; MoE27).

The graduality was included because at the fiscal level there was no more room to move faster. There was no space, even with tax reform. At that time, something faster was not possible. There were also, and this generated much opposition from the Catholic church and private subsidized schools, super technical discussion, such as inflation, readjustment... Finally, in many schools, especially with high levels of cost-sharing, the 'peso by peso' principle was not fulfilled in the first version of the project. So, in the first version of the project, many schools were losing money. (MoE27).

At the same time, the increased graduality for implementation of the prohibition of add-on tuition fees was also used as a political strategy and bargaining tool. The government expected that gradual adoption of the prohibition would reduce financial uncertainty for some private subsidized schools and families enrolled in terms of short-term financial viability, reducing their level of resistance towards the new law (ADVISER 1; MoE27).

The second significant change made to the final law approved was the inclusion of some exceptions to the prohibition of selective admissions. The final regulatory framework established that schools with pedagogical projects focused on academic excellence would be able to select 30% of their new applicants based on academic performance. This change to the initial project was a response to pressure from different political and educational actors to maintain the status of some selective public schools (*Liceos Emblemáticos*) with a long historical tradition in the Chilean education system (MoE2). The third change relating to prohibition of selective admissions was to increase graduality in the implementation of the new centralized admissions system (*Sistema de Admisión Escolar*). Although this new admissions system was designed to prevent any kind of informal student screening (MoE2; ADVISER24), it was finally agreed that this could be gradually implemented over three years nationwide.¹⁵

Finally, the new regulation was also modified in terms of one of the most controversial and technically difficult to regulate issues relating to the prohibition of profit. While the initial reform proposal obliged school owners to buy school premises in order to prevent the possibility of them making a profit by renting, legally and financial restrictions became

¹⁵ The system is based on the deferred acceptance algorithm (Gale & Shapley, 1962). In the case of overdemand, the algorithm gives preference to those students with siblings in the school, socioeconomically disadvantaged students or students with parents working in the school.

apparent, which challenged the feasibility of this measure. The finally approved version of the law provided for gradual application of this measure and even the possibility of establishing regulated rents for those owners not able to acquire buildings (ADVISER11).

Beyond the amendments made to the final approved version of the Inclusion Law, the aftermath of the legislative process has been characterized by debate around the capacity of the new regulations to achieve the government's initial objectives. The government presented the initial project as a means of inhibiting commodification dynamics in the education sector, switching the market-oriented paradigm of the Chilean education system and tackling educational inequalities and barriers to access. However, among the stakeholders interviewed, there are competing views on the capacity of the reform to significantly alter the market dynamics in education (ADVISER11, 19; MoE23; UNION22). For some of those directly involved in the process of reform, the Inclusion Law has produced relevant changes in the education system, but it has not modified the prominent role of the market in the education system in terms of school choice or the funding scheme.

I believe that this law modifies important characteristics of the market system but not the substantives [...] It does not change the funding system, nor the freedom of choice. In fact, all the arguments for non-selection and free education are so liberal. The main argument has to do with not being chosen but choosing. However, criticism of the market system put families' choice as one of the factors of segregation, but families' choice was part of the argument to justify why it was necessary to make this law. The standardized evaluation systems, the classification [of schools], all accountability devices were not addressed by the reform. So, I think that this was more like responding to the slogan and modifying elements that are relevant but more complementary. (MoE2).

In this sense, other stakeholders also involved in the initial design of the reform point out that the resistance and financial and technical constraints that emerged during the process of discussion significantly conditioned the final output (MoE3, 16; ADVISER26). For these stakeholders, the initial project proposed did not necessarily represent the desired institutional change but rather the most feasible proposal in the Chilean educational and political context. At the same time, these stakeholders also recognize that the final scope of the reform was also constrained by expected and non-expected restrictions.

Some political restrictions were anticipated, and others were completely unexpected..., but their magnitude was not quantified. As a result, the final room to maneuver was much smaller than the initial theoretical spaces. The discourse that was in the collective imagination of the group that worked on this versus the final reality... was quite stressful. (ADVISER26).

A completely different approach also emerged among some of the stakeholders who took part in the reform design, grounded on the understanding that the new regulations were not necessarily oriented towards reducing the role of the market in education but improving its

operation (ADVISER15, 19, 24, 2). For these stakeholders, previous regulation of the education market inhibited real competition between schools and reduced the capacity of families to choose schools. In this sense, the Inclusion Law is thought to improve the rules of the education market, allowing ‘real choice’ and ‘fair competition’.

I think they strengthened the rules so that there was a better designed market. That is, if you want a real market, everyone must be able to choose... what products they are going to choose; everyone must have better information; the government must regulate the quality of the products they are going to make... So, I believe that the market from... let’s say, from the LGE to the Inclusion Law, was strengthened. They improved the quality of the information and the State began to play a strong role. Why is there a problem with having selection in a market? Because it prevents improving productivity. If you are really going to have competition, you need schools really competing. Before, competition between schools was unfair. Private schools, the way to improve their quality, was to select the best students. They applied tests to the little students. So, the best way to... compete was to select good students. So, I believe that the reform of the... the Inclusion Law... in part is logical to improve the market a bit. (ADVISER24).

To sum up, as the quotations presented above show, there are important differences between the views of stakeholders involved in the process of reform in terms of the capacity of the new regulations to tackle the social and educational dynamics of the Chilean education system and the high levels of educational inequalities.

7. Discussion

Despite the limits associated with generalizations made on the basis of a single case, analysis of the Inclusion Law process of adoption provides significant insights into the drivers, opportunities and challenges of policy initiatives oriented towards significantly altering how education markets are regulated. At the same time, it is also an interesting case with which to explore how ideational drivers can influence and affect the process of policy change, with a specific focus on education reforms.

The process of pro-market policies problematization in Chile demonstrates how ideas and frames, in particular, are often as important as material drivers for bringing about a process of variation (Verger, 2014). In this sense, the findings presented show how the dialectical relationship between ideational and material drivers operates. While it is possible to affirm that material conditions in terms of educational inequalities or access barriers have not changed significantly since the end of the nineties, from 2006, different actors have been able to develop discursive frames initiating profound debate on the education system model. Student unions, civil society organizations and academics have established a narrative that points out a direct causal relationship between high levels of inequalities or social stratification in the Chilean

education system and the pro-market reforms adopted during the eighties and expanded in the nineties. In this sense, the Chilean case also shows how ideational drivers are often influential during the process of variation because they can provide policy explanations for material conditions. Furthermore, the fact that the process of problematization overcame the educational domain, emerging as a social and economic development priority, also contributed to fostering the centrality of educational reform in public debate and the political agenda. The case discussed is an example of how analysis of policy change in the field of education not only needs to consider how extra-educational drivers (material and ideational) affect the process of educational reform but also how educational and extra-educational factors reinforce one another to produce processes of institutional change.

The process of discussion of the Inclusion Law also provides insights into the diversity of sources of resistance that educational market reforms can face. Beyond the expected opposition of right-wing policy actors and private education providers, the Chilean experience shows how education market regulation can encounter a significant amount of resistance from the public opinion. As in the case of school choice regulation in French-speaking Belgium (Delvaux & Maroy, 2009), opposition emerging among public opinion (particularly families from private subsidized schools) seems to be closely related to the capacity of pro-market policies to alter social values and subjectivities of some social groups regarding education (Cribb & Ball, 2005), especially middle-class and aspiring working-class social groups. Education market regulation is perceived by some parts of the public as a challenge to practices and values acquired after a long period of pro-market policies, as well as a threat to their position in the education system and to their educational opportunities. Whether it is because market mechanisms allow families to obtain certain levels of social closure or because they enable them to achieve certain standards that the state sector is not able to provide, the possibility of reducing the role of market mechanisms is perceived as a risk. As Jessop (2010) hypothesizes and has been identified in the case of pro-privatization reforms (Verger et al., 2016), the final stage of the reform process shows how institutional and economic restrictions emerged and influenced the process of policy change. In the case of the Inclusion Law, financial and institutional restrictions emerged as the process of the reform advanced, forcing actors in charge of the reform to reduce its scope or increase the graduality of policy implementation.

In terms of policy implications, the Chilean experience is particularly relevant in a global context where, after decades of pro-market policies expansion, international and civil

society organizations have called for a focus on regulations and policy designs to avoid the negative effects on equity of privatization and marketization policies in education (OECD, 2017; UNESCO, 2017). In this sense, the case of Chile shows how educational reforms oriented towards increasing the level of regulation of education markets or significantly altering the design of these policies can face different restrictions or challenges. Beyond the expected resistance of those interest groups with a vested interest in maintaining the status quo or pro-market political parties, these processes of reform must also deal with the capacity of pro-market reforms to alter the values, goals and dispositions of a diverse range of educational actors. It is essential to take into account the cultural effects of privatization and pro-market policies (Rizvi, 2016) in order to guarantee successful adoption of policy reforms oriented towards dealing with the commodification dynamics of education markets. The Chilean experience also raises the question of the capacity of education market regulation to deal with social mechanisms that foster processes of social stratification among schools, school segregation and increasing educational inequalities. Although implementation of the Inclusion Law has advanced significantly since its approval in 2015, it is still early days and perhaps too soon to be assessing its capacity to improve equity and reduce school segregation. Determining the real effectiveness of this process of regulation will depend on how educational actors (e.g., families, schools and managers etc.) enact the new regulation and to what extent they develop strategies to bypass the new rules.

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