

Democratizing and Decentralizing Higher Education: Evaluating the Swedish Higher Education Expansion in 1977

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Summary

In 1977, Sweden launched twelve new higher education institutions (HEIs) through a reform that ended up significantly altering the Swedish higher education landscape. The government proposition underpinning the reform aimed to create less biased recruitment to higher education, broaden the range of programs, and democratize the ways in which education was organized. By establishing new HEIs with a wide geographical distribution, the aim was to reach “student groups other than the traditional ones.”

A key aim of the reform was to conduct all post-secondary education in the form of university colleges. A unified system for post-secondary basic education was created by combining post-secondary courses, supplementary education, and traditional university programs within the same administrative and physical structure. Decentralization was also part of the reform in an attempt to stimulate economic development outside the major cities and traditional university towns. The reform also sought to make higher education more career-oriented, as the new university colleges had representatives from both local businesses and students on their boards.

The 1977 higher education policy lasted at least until 1993 when the Bildt center-right government granted increased autonomy to all HEIs. However, the impact of the reform is still evident today, as several regional university colleges have been upgraded to universities while new ones have also been established.

This report evaluates the 1977 higher education reform in Sweden at both the individual and municipal levels, as we want to examine whether the stated goals of the reform were achieved but also explore other

effects of the reform. At the individual level, we compare young people in municipalities in which regional university colleges were established in 1977 with similar youths in municipalities without such institutions. We follow 14 cohorts – the first one graduating from high school in 1974 and the last one in 1987 – and track them until 2011. We study outcomes such as the tendency to pursue higher education, move to one of the old university towns, start a business, and whether youths from affected municipalities fare better financially than comparable youths in other municipalities.

Our analysis shows that the reform had a relatively small but not negligible effect on individuals' level of education: Ten years after the reform, the proportion of a high school class pursuing further studies increased by 29 percentage points in the affected municipalities compared to a general increase of 24 percentage points during the studied period. This positive effect is visible already when it comes to high school classes graduating between 1975 and 1977, even though the estimates are uncertain. A likely partial explanation is that the new university colleges became widely known through the parliamentary decision in 1975 (in addition, the ongoing government study had for a long time indicated that such a reform was underway). As some students continued their studies after high school, those who graduated before 1977 could also benefit from the new HEI.

Our results thus suggest that the higher education expansion led to an increased proportion of college-educated high school graduates from affected municipalities. The increase in our data is largely due to women deciding to continue their studies in shorter college programs. Initially, men in the affected municipalities also increasingly chose shorter programs. Over time, however, there was mainly an increased tendency to choose longer engineering programs. In terms of the hopes that the reform would reduce gender segregation in higher education, these have not been realized. It should be emphasized that our data do not contain information on where the education takes place. Theoretically, it is possible that students from affected municipalities are more likely to travel to traditional university towns when a local university college is established in their municipality. The results also suggest that slightly more people in affected municipalities have at some point moved to a traditional university town (i.e., Stockholm, Gothenburg, Uppsala, or Lund).

The analysis also shows that the reform only marginally affected the careers and incomes of the analyzed individuals. Slightly fewer of the affected individuals are self-employed and slightly more have served as CEOs. However, there is no difference in terms of earned income or disposable income.

The goal that the reform would broaden the socio-economic recruitment to higher studies has also been highlighted retrospectively. However, although the regional university colleges have received more resources, admitted more students, and in several cases been upgraded to universities since their launch in 1977, Sweden continues to have persistent problems regarding social bias in recruitment compared to other countries according to analyses carried out by UKÄ (2018, 2019).

Our results indicate an increase in college attendance among students coming from a background where both parents lack higher education. However, the effect was four times greater for youths with two highly educated parents. No effect is noticeable for youths with just one college-educated parent. Regarding the goal of counteracting social bias in recruiting to higher studies based on the educational level of parents, the reform was thus unsuccessful. Our results are thus in line with several previous studies in Sweden and with international research on similar reforms in other countries (including Norway). In terms of gender, the bias in higher education has increased since the reform, and the dominance of women among college students is now greater in Sweden than the OECD average.

In addition to the effects on the youths who graduated from high school in affected municipalities, the municipalities themselves may have been affected at the aggregate level by the new university colleges, several of which were later upgraded to universities. By means of regression analysis, we have examined whether the municipalities in which regional university colleges were launched in 1977 developed differently from other municipalities in terms of the proportion with higher education in the municipality, municipal population, disposable income, tax capacity (i.e., taxed assessable earned income per inhabitant), the proportion with higher education among inhabitants whose parents lack such education, unemployment, the proportion of employed (as a share of the municipal population), the proportion of entrepreneurs (defined as the share with sole proprietorship or small joint-stock companies), and the income distribution in the municipality.

It turns out that the municipalities where new HEIs were launched in 1977 have in several respects exhibited a stronger development compared to other municipalities. They have acquired a larger and better-educated population and increased their tax capacity. However, these differences go down considerably when we correct for factors in place before the reform was launched, including a correction for the education that preceded the university college. Hence, the strong development exhibited by the affected municipalities after 1977 cannot be interpreted as a causal effect of the reform.

However, there are differences that do remain also when the existing educational tradition is taken into account. One such difference is that fewer individuals make a living as entrepreneurs. The affected municipalities have also developed a somewhat more compressed income distribution: high incomes are lower, and low incomes are higher (relative to the municipality's median income). A likely explanation is that the HEI has a direct effect on income distribution both as a large state-run employer in the affected municipalities and by attracting students to these municipalities. It is likely that the HEI offers jobs that to some extent are used as a substitute for entrepreneurship, which may explain why the proportion of entrepreneurs is lower in the affected municipalities.

Our results thus suggest that the reform resulted in relatively small but not negligible effects in terms of how many continued their studies in the municipalities in which new university colleges were established. However, the reform failed to achieve the goal of reducing social bias in recruitment to higher studies. It seems as if the geographical distance to an HEI is not the primary reason why children without highly educated parents are less inclined to continue their studies after high school. Furthermore, the results suggest that regional university colleges do not seem to represent a suitable policy tool for promoting entrepreneurship.

Overall, our results are in line with research on similar reforms in other countries. The expansion of higher education means that more people continue their studies, and there seems to be no reason to worry that an increased supply of highly educated labor will push down wages for the highly educated. Our results regarding gender differences are also in line with previous research, suggesting that it is possible to strengthen the status of women by expanding the higher education

sector. However, this does not mean that men and women become more similar in their educational choices.

To evaluate the 1977 reform as a whole, we need to make an assumption as to what the counterfactual situation in Sweden would have looked like had the reform not been carried out. Such an analysis is necessarily largely speculative and uncertain. If the alternative to establishing and expanding the regional university colleges had been to direct these resources to the old established universities, Sweden would today have fewer but significantly larger HEIs, while more students would have to reside in the traditional university towns. Another alternative would have been to finance higher education to a lesser extent through taxation and rely more on private actors. Our analysis cannot determine whether any of these strategies would have been preferable to the choices actually made, as this is fundamentally a normative question.

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