Sweden

The Market Comes to Education in Sweden: An Evaluation of Sweden’s Surprising School Reforms.

By Anders Bjorklund, Melissa A. Clark, Per-Anders Edin, Peter Fredriksson, and Alan B. Krueger.

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As reviewed by Nathan Glazer

It will undoubtedly be a surprise to many, as it was to me, that Sweden, a country with one of the most developed systems of government-provided social services, was swept up in the Reagan revolution. As the first words of this book remind us, “Sweden has long been known for its pursuit of equality—both equality of opportunity and equality of outcome.” But as happened to Americans in the 1980s, the Swedes underwent a transformation in their thinking about the role of the government in society and that of the market in providing social services.

And in 1991 the Social Democratic party was replaced by a center-right coalition, which, according to The Market Comes to Education in Sweden, began to introduce “sweeping, market-oriented reforms in public education.” Those reforms included measures that allowed private schools to compete with public schools, devolved authority for the public schools from the central government to local municipalities, and increased the variability in resources available to students in different municipalities. In other words, schooling in Sweden changed from being almost entirely public, uniform, and centralized to something much more like schooling in the United States.

But what reasons lead parents to choose private schools? We are told that the percentage of students in independent schools rose from 1 percent in 1991 to 6 percent in 2002; apparently there was little call—or market—for private schools before the reforms. It is not clear what these independent schools offer. In the United States (where some 13 percent of schoolchildren attend private or charter schools), independent schools are predominantly religious. But with no large Catholic, conservative Christian, or Jewish population in Sweden and no evidence presented in this book of discontent with public schools, one wonders who the main clients of private schools in Sweden are. The authors’ account of the social and education situation in Sweden, and what actually happened and why, is too brief to give a clear picture.

An Inconclusive Conclusion

The authors, all labor economists, are more interested in the demonstrated effects of the changes they sketch than in a fuller examination and characterization of the reforms. The major substantive chapters of the book place Swedish expenditure and achievement in comparative perspective (in both, Sweden rates high); show that the decline in education inputs during the 1990s worsened the teacher-student ratio and teacher quality; review the international research on the effects of school choice; and test for the effects of school choice in Sweden on achievement. The authors find the effects are small but not negative. They report that children with highly educated parents are more likely to attend independent schools, but so, confusingly, are immigrants.
"We are all empirical labor economists," the authors write (they are the common authors of the book), and "we are inclined to focus on measurable aspects of what schools produce." This is a highly technical work. And it demonstrates the well-known generalization in the evaluation of social programs: the more meticulous and professional the research, the fewer clear and sharp effects are to be found. Though at least one of the authors (Krueger) is a known skeptic of vouchers, they do not tip their hands here. This is not an ideological work. The overall conclusion is that neither the negative effects one could have feared, nor the positive effects one could have hoped for, were large.

The negative effects are those one would expect in a market system: an increase in inequality, unequal educational achievement, and unequal wages in adult life. But in Sweden both the profile of educational achievement and the profile of earnings is, by American standards, remarkably compressed and remains so. Neither the heights nor the depths are to be found. On the whole, Sweden, like the Scandinavian and smaller countries of northern Europe generally, does very well in international tests of educational achievement—so well that one wonders why any great change was considered necessary at all.

As the authors explain, one reason for the change was that Sweden's expenditure on education was relatively high; as a percentage of national income, as high as that in the United States. And with an economic crisis in the 1990s the question was, Could we manage as well by spending less? Indeed, Swedish expenditures did go down, teachers' salaries showed relative decline, and class size increased. But there is an irony in judging the "efficiency" of Swedish education in the way economists measure it—by differential economic return related to amount of and expenditure on education—since the efficiency of education in a society in which the wage level is compressed by powerful union and other institutional pressures will inevitably appear low.

The Land of the Free Lunch No Longer

Among the book's more "robust" conclusions, to use the economists' term, is that the high Swedish expenditure on adult education (which is very well developed in Sweden, as a resource for unemployed workers and as a way of upgrading or changing one's credentials) is not warranted by its returns: But how could it be, when, we learn, "individuals received student pay [all students are paid in Sweden—part of the commitment to equality] at the level of unemployment benefits, which in Sweden replace up to 80 percent of forgone earnings." Wonderful Sweden! At that cost, one would have to get very good returns indeed to demonstrate that adult education pays.

One of the most interesting and useful aspects of the book to the American reader is the review of research on the effects of competition and decentralization around the world, from New Zealand to Chile. One learns that the no-holds-barred conflicts that have erupted over these issues among researchers in the United States are to be found even in placid Sweden.

One finding does seem to stand up across societies: more resources will help immigrants and those who do worse in school. "The academic achievement of students from disadvantaged families is more susceptible to variations in resources than that of students from advantaged families." The disadvantaged in Sweden are of course much less disadvantaged than those in the United States. Foreign-born students attend private schools in somewhat higher proportions than native born. But what this means in the Swedish context is not clear, as is true for this reader, of many of the findings of this book.

The general story is clear. "Our overriding conclusion is that the effects of the education reforms have been exaggerated by both sides," write the authors. "The reforms did increase the efficiency of the school system," as measured by results as related to costs. But the increase was modest, and "the disparities in achievement resulting from the reforms were also modest.... But by and large the newly decentralized, choice-driven system has had small positive effects on the academic performance of most Swedish students."

The authors do not suggest going back to the earlier, more uniform, less competitive system. But they are studying the effect of a rather constrained and hardly vigorous market, as far as one can tell. Unleashed, the market might well have greater effects, on both efficiency and equality.

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