

Academic results and grading standards in independent upper secondary schools

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This research project contributes to our knowledge about the impact of independent schools in the Swedish school system by estimating the effect of attending an independent school on a broad set of outcomes for students attending upper secondary education in 2013–2016. Since the school choice reforms of the early 1990s, independent schools have become a regular feature in Sweden, with about 30 percent of all upper secondary school students attending an independent school in 2020/21. These schools are publicly financed via municipal voucher systems but run by private organizations, a majority of which are run as for-profit.

The study is based on population wide register data which contains detailed information about students’ background, previous academic achievements, and their ranking of independent and municipal schools. The information is used to control for differences in background, school-type preferences and academic ability between students in independent and municipal schools that may otherwise distort the results.

The results suggest that attending an independent upper secondary school on average benefits the individual student in terms of grades, graduation rates and post-secondary studies. These gains are present in different parts of the grade distribution, and among students with different background characteristics.

However, we also document signs of more generous grade setting in independent schools. For example, students in independent schools are on average more likely to get a course grade that is higher than their grade on the corresponding standardized test, compared to students in public schools. A subgroup analysis suggests that this behavior is more common in independent schools that are run as limited companies. Furthermore, a complementary analysis at the school level suggests that the share of qualified teachers at the school is negatively correlated with both the estimated

independent school grade gains and with our measure of generous grading. In other words, independent schools with a lower share of qualified teachers seem to be driving the grade inflation tendencies.

The school level analysis also reveals large differences in terms of tendencies to inflate grades within the group of independent schools; the average differences between independent and municipal schools that are reported in our study thus masks substantial heterogeneity between individual schools.

The results of our study are in line with earlier findings relating to the Swedish independent school sector. On the one hand, previous studies on lower secondary schools have found evidence that a higher share of independent schools is associated with better student achievements and a higher education level. On the other hand, there are several studies that suggest that independent schools work as an exacerbating force with regards to grade inflation.

When schools operate on a school market where students bring resources via vouchers, incentives to attract students by showing high achievement gains will be present, and some of our results seem to suggest, in accordance with earlier studies mentioned above, that these incentives can distort the grading standards in Swedish upper secondary school. This is harmful both from a meritocratic and an efficiency standpoint. Although these results apply to Sweden, it is likely that similar forces can arise in other settings that exhibit the same type of high-powered incentives.

