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Student Financing for Social Equity in Norway, 1947–2020

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Building Social Equity through Education

This chapter examines the success of Norway's student financing policy programme, which was launched in 1947 and is in place to this day.¹ The programme started after Norway's national unity government stated in June 1945: 'Everyone must have access to a proper education, one suitable to their talents and skills, irrespective of their means and of where they live' ([The Norwegian Government 1945](#)). In adopting the programme, Norway's political leaders have sought to tackle multiple challenges, including inequalities between the rich and the poor, the urban and the rural population, and men and women. This chapter provides the argument that Norway's student financing policy programme is a success because it has been a major contributor to social equity. The programme has dramatically widened access to higher education and has contributed to taking Norway close to being a global pioneer in terms of social mobility.

This chapter will compare the Norwegian student financing programme with that of other countries, revisit the programme's performance vis-à-vis original and revised policy objectives, and discuss the current challenges and possible routes forward, with an objective to maintain the programme's social and political support. I will begin by reconstructing the programme's history from its genesis in 1945 and through transformations including the incorporation of non-repayable grants in the late 1950s, the conversion from needs-based to universal eligibility for support around 1970 and the introduction of progression-dependent grants in the early 2000s. By way of introduction, Box 8.1 presents basic facts about the student support programme.

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Box 8.1 Norway's Student Support Programme, 2020/21

The programme aims to (1) contribute to equal opportunity to education regardless of geographical circumstances, age, gender, disability and financial and social circumstances; (2) secure the provision of skills to society and the labour market; and (3) ensure that education takes place under satisfactory working conditions, thereby ensuring efficient study progression (The Student Financial Aid Act 2020, Section 1).

The programme offers support to students in secondary and tertiary (higher) education. All applicants that satisfy a set of basic criteria receive support. For higher education students over the age of 19, eligibility for support is not dependent on the financial situation of parents or of the partner/spouse. Needs-based criteria apply only for the applicant's own financial situation. The support is reduced if the applicant earns more than about 20.000 euros per year or has more than about 40.000 euros in savings.

The programme is administered by the State Educational Loan Fund (SELF), a state-owned bank organized as a government agency under the Ministry of Education and Research. Higher education institutions report to SELF whether students show up, complete exams or quit their studies, but other than that, applications, payment and repayment of loans are matters directly resolved between the student and SELF.

In 2020, a total of about 3.5 billion euros was paid out in student support. The typical full-time student in higher education receives about 1100 euros per month, 11 months per year. Add-ons apply for students who pay study fees, have children under the age of 16, or have a disability. The student support is initially given as a loan, but 40% of the loan is converted to a grant if students live away from their parents, pass their courses and complete a degree. Allowances or tax incentives to parents do not feature in the Norwegian programme.

The programme is funded by annual budget provisions over the state budget. In 2020, SELF's total volume of outstanding loans was about 20 billion euros; 1,1 million people, about a fifth of the total population, were active SELF clients—about one-third of whom received support and two-thirds repaid loans.

Loan interests are calculated from the first month after graduation. The interest rate is set by the Financial Supervisory Authority at modest market levels six times per year. Repayment starts seven months after graduation. A typical repayment scheme could be 30.000 euros in debt repaid with monthly instalments over 20 years.

Sources: The Student Financial Aid Act, [SELF 2021](#); [European Commission \(2020: 91–92\)](#)

Student Financing's Policy Trajectory

Genesis: The postwar rebuild

This story begins with a pledge made by Norway's government after liberation from occupation by Nazi Germany in June 1945: 'Everyone must have access to a proper education, one suitable to their talents and skills, irrespective of their means and of where they live' ([The Norwegian Government 1945](#), section IV).² The government at the time was a cross-partisan unity government which was in position until the first postwar general election in the fall of 1945. The pledge marked the start of a series of education reforms aiming to fill the growing need for a well-educated population. There had been limited focus on higher education in Norway, not only during the Second World War but also in the 1920s and 1930s, and now a skilled workforce was needed to rebuild the country after the war.

In late 1945, a Labour single-party majority government took office. The government soon appointed an ad hoc advisory committee, chaired by a university professor, to develop proposals for a student financial support programme. The committee delivered its report in early 1947. Later that same year, the Labour government submitted its proposal to the parliament (*Stortinget*), in the shape of the 1947 State Educational Loan Fund Act.

That the parliament voted unanimously for the proposal demonstrates that there was broad political agreement about the student support policy. In addition, it reflects the broader consensus culture in Norwegian politics that prevailed in this period, driven by a perceived imperative to unite across political parties to rebuild the country ([Helle et al. 2019](#)). Moreover, the ability to reach compromises between Communists, Social Democrats and Conservatives in the parliament was facilitated by cross-partisan personal ties having been established amongst exiled and imprisoned Norwegian politicians during the German occupation. It was, therefore, not atypical for this period that the Labour government, despite having the majority support in the parliament, proposed a watered-down version of the Labour Party's primary student financing policy to secure cross-partisan support in the parliament.³ The proposed State Educational Loan Fund was a loan scheme where applicants did not need a guarantee and where loans were interest-free during the period of study. This scheme reduced the need for

² Sources for the historical overview were [Kleppe et al. 1995](#) (especially appendix Chapter 6), [Aamodt et al. 1999](#) (especially Chapter 3), [Rotevatn 1997](#), and [Røseth 2003](#). Note that quotes from parliamentary proceedings, newspapers, government reports and other Norwegian sources have been translated by the author.

³ The Labour Party's 1945 election manifesto said, 'The aim is that the state fully finances the higher education for talented youth who lack the fiscal ability to study' ([NSD 2021](#)).

financing studies through ordinary bank loans guaranteed by the student's family and with interests calculated from day one. The programme also replaced several smaller poor-man loan schemes administered by universities and student organizations.

Although the Conservative Party representatives voted for the government proposal, they voiced some concern during the parliamentary debate. Representative Mr Niels H. Koldrup, suggested that money from the Loan Fund could be spent 'living the happy student life', and expressed concern that borrowers could die and leave their debts unpaid. Labour's education minister Mr Kaare Fostervold replied that the use of the money would be subject to close oversight. Some of the Labour Party representatives also voiced concerns, despite their joining ranks and voting for the proposal. Representative Mr Jakob Friis pointed out that the proposal was far removed from the end objective, that the state ought to shoulder more of the costs, ideally all costs of studying, and that the proposal reflected an 'individualistic mindset'. Representative Mr. Jens M. A. Jenssen from the Communist Party supported the government proposal's notion that a study loan should be considered a personal investment ([Norwegian Parliament 1947](#): 279).

The Oslo student newspaper *Universitas* commented the following to the news of the establishment of the study support programme (*Universitas*, October 16 1947): 'A great opportunity is now offered to Norwegian youth. A student needs no longer starve himself to a university degree or work his health to bits doing poorly paid nightshift jobs. Money is no longer an important factor in the competition between the students.' During the next 10 years, the number of loan recipients increased as the programme was expanded by incorporating new groups of students in the eligibility base. By the mid-1950s, students in all forms of higher education were covered, including technical and vocational colleges, teacher colleges, and nursing training colleges. In 1947, a total of 3,3 MNOK was loaned to 2,200 students. By 1957, the loans had increased to 25 MNOK and the number of loan recipients had quadrupled to 9,000.

Loans were given strictly based on needs. Each individual application was considered by the SELF board, initially using open criteria like 'unable to secure funding from other sources', and later using set criteria pertaining to the financial situation of the applicant's parents, thus reducing the scope for personal judgement in the processing of applications. *Universitas* was positive about the means-based logic (*Universitas*, October 16 1947): 'It is not the case that anyone can fill out a form or two and then be guaranteed a certain sum of money each term throughout the study period. First of all, one must prove that one needs financial help. And secondly, one must term by term demonstrate that honesty [about being a diligent student] is more than a façade. The idea is not that the loan fund shall offer a lazy student a carefree stay in Oslo for a few years. (...) Performing up to scratch does not mean top results in record time but even and steady progress in accordance with one's abilities.'

From loans-only to loans-and-grants packages

The student population grew considerably in the 1960s. This was not just a post-war baby boom effect but also a result of the introduction of a grants scheme, which meant more young people could afford to pursue higher education. In addition to freedom from interest during the period of study, there had originally not been a grants component to Norway's student support programme. This changed in 1957, when a state education grant was incorporated. The process was similar to that which led to the establishment of the student support programme 10 years earlier: after having obtained advice from an ad hoc committee, a majority Labour government presented a reform proposal to the parliament that was modest compared to the Labour Party's primary policy position. All the major political parties in the parliament supported the proposal. Support from the Conservative Party was secured by keeping the total volume of subsidies low and by prioritizing students with very limited means. Support from the centrist parties (the Liberals, the Christian Democrats and the Agrarians) was secured by prioritizing students from non-urban areas who had to live away from home to study (Røseth 2003: 45).

The government pledged to increase the volume of state educational grants substantially over the coming years, thus making grants a major part of the programme. One by one, small and special-purpose grants schemes originally administered by various line ministries and education institutions were incorporated into the umbrella programme administered by SELF, thus greatly expanding the grants element of the student support programme during the 1960s. Grants were still allocated on a strict needs basis and, importantly, the total volume of grants SELF paid out was capped by the government's budgetary provision for that year. By contrast, the loan scheme was based on individual rights; anyone who satisfied the needs-based criteria was granted a student loan, even if the total cost exceeded those stipulated by the annual budget. With these parameters in place, during 1945–1965, Norway was the OECD country that spent the largest share of its GDP on financial aid for students (Garritzmann 2016: 240).

From needs-based to universal eligibility

The next major change in the student financing policy occurred in the late 1960s and early 1970s with the shift from needs-based to universal eligibility for support. This shift was not the result of a streamlined process but rather of prolonged 'muddling through' (Lindblom 1979). A Labour government set up an advisory committee in 1962 tasked with proposing reforms based on the expectation of economic growth, thus allowing for expansion, and a fresh look at the whole student support programme—from its eligibility criteria to the loans/grants ratio, interest rates and repayment principles.

The completion of the report and the Ministry of Education's subsequent hammering out of reform proposals coincided with the end of a 20-year period of continuous Labour Party dominance. The left and the right sides of the political spectrum now had similar levels of electoral support, resulting in three shifts back and forth between Labour and Conservative governments between 1963 and 1965.

This did halt the momentum. For one thing, the student financing policy reforms in this period reflected how the economic growth fuelled broader policy reorientations on both sides of the political spectrum. For many years, the Labour Party had seen student financing as a tool for redistribution and macroeconomic planning; now, the balance shifted towards the latter. In addition to expanding the capacity of universities and other higher educational institutions, securing a highly skilled workforce necessitated extending eligibility for grants beyond the economically underprivileged students. As a small country with an open economy, Norway needed to incentivize as many youths as possible to study, even if that meant transforming the students' financial support scheme from a redistribution policy to a distribution policy, to borrow [Lowi's \(1972\)](#) terminology.

In addition, the Conservatives softened their stance that taking a higher education degree was an individual, private investment decision; now, they too saw the government incentivizing higher education as a viable and necessary strategy for national economic growth ([Rødseth 2003](#): 48–54). The stage was therefore set for cross-partisan agreement on universal eligibility for study grants.

In 1964, the advisory committee delivered its report, which contained a number of reform proposals ([Ministry of Church Affairs and Education 1964](#)). In 1969, under a Conservative government, a proposal for a reformed student support act was presented to and accepted by the parliament. Some, but not all, student grants were subjected to universal eligibility under the reformed programme, thus reducing the overall application of the needs-based principle.

The idea of universal eligibility matured quickly. In the years that followed, a series of incremental, low-profile decisions by the government, the parliament (as part of state budget proposals) and SELF (e.g. as adjustment of applicant guidelines) had, in sum, transformed the programme. By 1972, it was clear that the student support programme had changed from one where eligibility for grants was needs based (i.e. means-tested against the financial situation of the parents, in most cases) to a programme where anyone 20 years and older was eligible for both loans and grants.

Policy consolidation and volume growth

Next followed a long period of programme stability. From the mid-1970s to the mid-1990s, higher education reforms in Norway generally concerned the content

of education, not the structure of the education system, apart from the merging of small and specialized colleges into larger higher education institutions (Aamodt et al. 1999: 38–40). Still, the introduction of universal eligibility combined with a growth in the student population (driven by more women taking higher education) meant that the student support programme's volume grew considerably from the mid-1970s. In the mid-1980s, about four billion crowns were paid out in loans and grants to 150,000 recipients; in the mid-1990s, about 10 billion crowns were paid out to 230,000 recipients.

In the mid-1980s, the grants element was overhauled. The number of grant schemes within the programme was reduced and a simple principle was introduced, following up a proposal made in 1979 from yet another ad hoc advisory committee (Sand et al. 1979): independent of the level of support they needed to complete their degree, students would receive a percentage share as a grant and the rest as a loan. This so-called percentage principle has remained in place to the present day. A cap on total grants was introduced as a safety valve against extraordinary costs (e.g. very high tuition fees). However, the grants percentage was to be decided annually by the government. Although a limited number of add-on grants were continued (e.g. for students with young children), the system was greatly simplified by the introduction of the percentage principle. The introduction of the percentage principle made it clear that loans and grants were a package, an unusual feature internationally. Most countries that provide both public grants and publicly subsidized loans conceive them as two separate means of student support. Germany is one of the few other countries that provide them as a 'package'.⁴

In 1995, an ad hoc advisory committee led by the former Labour Finance Minister Per Kleppe proposed a strategic breach with the traditional policy of having state banks offer credit, thus acting as instruments of public policy. The committee made an exception for SELF, which, according to the report (Kleppe et al. 1995: 17–18),

fills needs in society that the private finance market cannot fill. Education loans come with a substantial risk for the credit giver, so private banks will be reluctant. At the same time, education has a return on investment for the society in addition to the return for the person that is being educated. There are therefore arguments for offering state credit and for giving support in the form of grants or subsidised interests.

The Kleppe committee's arguments for keeping a state bank for students were thus essentially the same as those used by the government 50 years earlier, only expressed in more modern economic lingo.

⁴ Half the support students receive in Germany is awarded as a grant and the other half as an interest-free loan (European Commission 2020).

Incentivizing progression: Towards conditional grants

Towards the end of the 1990s, there was a growing and cross-partisan concern about the effectiveness of the higher education system and of the student support programme. The problems included low progression, that is, students taking too long to finish their degrees, and high dropout rates, combined with high costs for the state. Several policy changes were prepared and implemented under the umbrella term ‘The Quality Reform’ by governments of different colour between the late 1990s and the early 2000s. Among these changes was rearranging degree structures and grading scales so they conformed with emerging common standards across Europe (Gornitzka 2007). Changes were also made to the model for financing public universities and university colleges.

As for Norway’s student support programme, the main change under the Quality Reform umbrella was the introduction of a strong merit element in the provision of non-repayable grants (Opheim 2011). In 1998, a Christian Democrats-led government set up an ad hoc advisory committee and tasked it with proposing changes that would give the students ‘incentives for effective completion of their studies’ (Aamodt et al. 1999: 7). When the committee submitted its report, a minority Labour government had taken over and it took the committee’s proposals on board. A central—and, as it turned out, politically controversial—element of the Labour government’s reform proposal in 2000 was a performance-related repayment arrangement. From now on, all student support would formally be initially a loan. Later, in accordance with the percentage principle, a percentage share of the loan would be converted into a grant on the condition that the student had completed his/her exams and degrees. The reform also substantially increased the total level of support (by about 15%) and the grants percentage of the total support from 30 per cent to 40 per cent.

Strengthening the meritocratic element in the loans-to-grants conversion alleviated a concern that had been voiced by Conservative politicians already in 1947, namely that taxpayers should not carry the burden of students living the easy life (Opheim 2011). However, when the Labour government submitted its Quality Reform proposal to the parliament, the government was accused of being heavy-handed in the design of the merit element. Several parties from across the political spectrum spoke against the idea that students who failed all exams would see nothing of their loans converted into a grant. In the more moderate model preferred by the Conservative Party and the centre parties, 30 per cent of the loan would automatically be converted to a grant; only 10 per cent of the loan would be converted to a grant depending on academic progression.

In the parliamentary debate, Mr Inge Lønning of the Conservative Party accused the government of ‘whipping and punishing those struggling to keep up, instead of using rewards’ (The Norwegian Parliament 2001: 3632). Mr Rolf Reikvam of the Socialist Left Party claimed that the reform would prevent

working-class children from pursuing higher education; the economic risk of failing would be too great for those less well off. Reikvam accused the government of pushing through a reform with a ‘view of human nature that says the harder you hit them with a stick, the better people will do’ ([The Norwegian Parliament 2001: 3633](#)).

In the end, only the furthest right party in the parliament, the Progress Party, voted with the Labour Party on the matter of 100 per cent progression-dependent grants. However, that was sufficient to ensure a parliamentary majority. The new grants scheme was implemented alongside the rest of the Quality Reform by the government that took over after the general election in September 2001, a government consisting of the Christian Democrats, the Conservatives and the Liberals.

Students’ purchasing power and work–study balance

Finding the right level of total loans and grants per person has been a politically sensitive issue throughout SELF’s history. Norway experienced dramatic economic growth in the postwar period, largely driven by oil exports. With all citizens’ purchasing power on the rise, the political parties have repeatedly renegotiated compromises about student economy: which purchasing power should students have, and how should the student’s economic situation develop over time? Various models of tying the development of the student economy to that of the general economy have been introduced. For example, the student economy was, in principle, pegged to the general welfare development under the Labour rule in the 1970s, then to the welfare of ‘unmarried male industrial workers’ under the Conservative rule in the 1980s, and then to a price index under the Labour rule in the 1990s. These models were short-lived, though, with ad hoc rationales influencing the annual state budget compromises in the parliament. Since the 1980s, the student economy has gradually fallen behind compared to the general economic welfare in society.

Opinions differ, of course, about which purchasing power students can reasonably expect during their student period. However, according to [The National Union of Students in Norway \(2021\)](#), which is the largest student organization, the current level of support from SELF covers 68 per cent of students’ costs of living.

The gap between state support and the cost of living is the main explanation for why students work alongside studying. [Hauschildt et al. \(2019\)](#) found that 71 per cent of students undertake paid work in an average week in Norway, compared to 59 per cent on average across other European countries. On average, Norwegian students reportedly study 32 hours per week, which is about the same as in other European countries, although this number is lower than in, for example, Denmark and Italy ([Statistics Norway 2018](#)).

In 2016, following many years of lobbying from student organizations, the parliament unanimously voted for a proposal from the Conservative government to increase financial support by extending the number of months students receive support in annually from 10 to 11. The reform was fully implemented in 2020, thus narrowing the gap between the state support and the cost of living. However, a gap remains, according to [The National Union of Students \(2021\)](#):

there is still a long way to go before the level of student support is at a level that allows students to focus fully on their studies (...). Today, there are two groups of students who are in very different positions; those who have parents who can help them in a demanding financial everyday life, and those who do not. As a result, not everyone has the same opportunity to take higher education.

Moreover, the student economy has remained subject to party-politicized and unpredictable ad hoc negotiations over the state budget. The National Union of Students has advocated for a solid connection between the annual development of the student economy and the general welfare development. Specifically, it has proposed that student support should be 1.5 times Norway's 'national insurance basic amount'. This amount, usually referred to as 'G' in Norwegian (for *grunnbeløp*), is used by the state to calculate, for example, national insurance pensions, service fees, taxes and fines, and it is adjusted in May every year by the national parliament to match the price growth in the society ([Statistics Norway 2021a](#)).

En route to 'G'? The road ahead

Judging from the party manifestos prepared by Norway's political parties in relation to the September 2021 general election, the National Union of Students has been successful in lobbying for a higher support level and, more importantly, tying the level of support to the general welfare development in society. As shown in [Table 8.1](#), most parties are now on board with the idea of tying the student support to 'G', either at an unspecified level (Progressives), at the 1.5 G-level proposed by the student organization (Liberals, Christian Democrats and Greens) or higher (Socialist Left and Reds). The two largest parties, Conservatives and Labour, have only pledged to increase the level of support; they are reluctant to commit to the likely continuous growth in student support that would follow from tying it to 'G'. Still, it appears to be only a matter of time before the over-time development in the total level of student support is depoliticized or, more precisely, before the support level is decided in the same routinized fashion as major social welfare benefits.

Judging from the manifestos, one political disagreement over student financing going forward will be about SELF's monopoly on student loans—the Progressives want it absolved. Nonetheless, SELF's central position in the student-financing

Table 8.1 Student financing policy pledges 2021–2025 by political parties

<i>Party</i>	<i>Policy</i>
Progressives	Students should have ‘the purchasing power to study full time’; the sum of loans and grants ‘should be tied to the national insurance basic amount [G] so that [they] follow the ordinary wage and price increase’. Increase the grant ratio for students who complete degrees on time. Private banks should offer student loans on terms like those offered by SELF, facilitated by the state guaranteeing the loans.
Conservatives	‘Increase the support more than society’s wages and prices increase’
Liberals	‘Increase the support level to 1.5 G’
Christian Dems	‘Increase the access to student loans so that the total student support reaches 1.5 G’
Agrarians	‘Increase the grants’; reverse the model whereby the conversion of loans to grants is conditioned on students completing exams and degrees
The Greens	‘Increase the support level to 1.5 G over 12 months’
Labour	‘Increase the support and develop a new model for student financing that facilitates studying full time’
Socialist Left	‘Introduce 12 months [of] student financing and increase the total student support to 2G with the grants share at the present level’; reintroduce the loans-to-grants conversion model where the grants share was the same whether students completed their degrees or not.
The Red Party	‘Increase student support to 2.5 G’, grants share at 60% (100% in the long term) and unconditional grants (automatic conversion of loans to grants, not dependent on progression/merit)

Source: Party/election manifestos 2021–2025 collected from political party webpages (accessed 16 July 2021). The table displays policies of political parties represented in the national parliament between 2017 and 2021.

programme appears relatively safe, as no other parties question its monopoly at this time. One issue that appears to be at play is the level of grants relative to loans. The percentage model itself appears institutionalized, but a possible development is that the grants share, at least temporarily, is reduced to below the current 40 per cent to allow for an increase in the total level of support to 1.5 G or more (although the Socialist Left and the Reds would evidently object to a lower grants’ share). Another issue that might be at play is the merit element in the conversion of loans to grants, a model that caused controversy upon its introduction in 2000. Here, the Progressives advocate for a stronger merit element while most parties on the left advocate for abolishing the merit model and making grants unconditional. However, the Labour Party and the Conservatives have maintained silence on the issue, which suggests that no reform is imminent.

A Policy Success?

It is not a straightforward exercise to evaluate a policy programme such as Norway's student financing scheme, which has been in operation for 75 years across 22 governments of different political complexions and dramatic changes occurring in the programme's 'raw materials', including the economy, the labour market and society's demographic composition. For example, when trying to understand a student support scheme's effects on desired outcomes such as educational participation and social equity, it is necessary to consider other policies that contribute to the same outcomes. First, tuition fees affect educational participation. Tuition fee policies have received far more attention in higher education scholarship than financial support policies have; in a comparative context, the Nordic countries are low-tuition, high-subsidy regimes (Garritzmann 2016: 83, 89). Of all Norwegian students, 84 per cent study at public higher education institutions where there are no tuition fees (European Commission 2020). Therefore, the government's financial support predominantly covers the cost of living; for most, direct study costs are limited to paying for textbooks.⁵

Second, the relationship between student support and another salient programmatic assessment criterion, gender equality, is complex. The student support programme has strengthened the ability of generations of women to make their own decisions about pursuing higher education, independent of the attitudes and resources of parents and spouses. Socially progressive reforms since the late 1980s have stimulated gender equality in higher education and in the labour market; it is likely that these reforms have contributed more to equalization than student support policies in the recent decades. Important examples from the Nordic countries include gender quotas, parental leave policies for men and women, and subsidized and widely available childcare (Aakvik et al. 2010; Narayan et al. 2018; Raaum et al. 2006). Still, it is likely that women's entry into higher education from the 1960s, a development undoubtedly aided by the student support scheme, meant that by the 1980s and 90s large parts of the electorate would both demand and expect progressive family and equalization policies to take effect.

Third, concerning the relationship between education and social equity, basic and secondary education policies are possibly more important than higher education policies and student support policies. We should, therefore, mention that social equity in Norway has been promoted by an education system with relatively many years of compulsory schooling and where so-called tracking occurs relatively late, that is, the practice of separating pupils by academic ability and placing them in different schools and having them follow different curricula.

⁵ SELF offers loans to cover tuition fees at Nordic higher education institutions and grants to cover tuition fees at non-Nordic higher education institutions. A cap on the total level of financial support means that those who incur a very high tuition fee will have to pay a part of it themselves.

Still, let us not be deterred by these complexities and assess the scheme using this volume's PPPE framework (programme, process, political and endurance assessment) in combination with McConnell's four degrees of success—resilient, conflicted and precarious success and failure (McConnell 2010).

Programmatic assessment

'Programme success occurs if the measure that government adopts (...) produces the results desired by government', according to McConnell (2010: 353). In terms of its public value proposition, Norway's student financing scheme has been remarkably stable. Judging from the mission statements (*formålsparagraf*), the objectives are practically the same in today's Student Financial Aid Act as they were in the original 1947 Norwegian State Educational Loan Fund Act. One value is about social equity: the scheme shall contribute to equal opportunity to education for all. The other value is about the labour market and macroeconomic planning: the financing scheme shall contribute to securing the provision of necessary skills to society and the labour market.

There has been no opposition to these objectives yet. Occasionally, left–right ideological differences have surfaced in the political domain concerning whether pursuing higher education should be considered a personal or societal investment. However, it has proven to be politically sustainable to have one overall objective referring to the individual and one to society, and formulate each of the objectives widely and dynamically enough to allow shifting governments to operationalize them as they see fit.

Isolating the effects of the student financing scheme on these outcome variables is difficult, possibly impossible (at least within the scope of this chapter). In addition, there is no consensus about how best to measure, for example, social equity. However, educational attainment is relatively straightforward, and with 20 per cent of adults having completed a BA and 12 per cent an MA (or equivalent degrees), higher educational attainment in Norway is slightly above the OECD average but below the EU average (OECD 2020).

It might seem paradoxical that tertiary educational attainment is not higher, given the low tuition fees and the financial support available to students. A likely explanation for this lies outside the educational system, namely that the earning advantage of taking a higher education course is low in Norway compared to other countries (OECD 2018). According to the Confederation of Norwegian Enterprise, the 'low payoff' is due to the compressed wage structure and the comparatively high wages of those with a vocational education (*Khrono*, 8 July 2020).

When we break it down, we see that women's tertiary educational attainment is substantially higher than that of men, and the difference is growing; currently,

the difference is about 20 percentage points (Statistics Norway 2021b). Lastly, tertiary educational attainment is higher among Norwegians born to immigrant parents than among the general population; the difference is about 10 percentage points for both genders. Notably, females born to immigrant parents are currently the standout group in terms of high participation in higher education (Statistics Norway 2021c).

On one important social equity measure—social mobility—Norway is currently second only to Denmark, where it takes two generations for a low-income family to reach median income. Norway, Sweden and Finland follow, at three generations. In the United Kingdom and the United States, it takes five generations, and in France and Germany, it takes six (World Economic Forum 2020: 9–10).

Related to the second core value, which concerns job skills, the World Economic Forum's Global Competitiveness Report (2019) contains relevant measures. Here, skills is defined as one of the 12 main pillars of a country's overall competitiveness. On skills, Norway is ranked 17 out of 141 countries (Singapore is ranked first). On the sub-items 'skillset of graduates' and 'ease of finding skilled employees', Norway is ranked 21 (Switzerland is ranked first) and four, respectively (the United States is ranked first).

Based on these admittedly few criteria, and with the caveat that isolating effects is difficult, we conclude that Norway's student financing scheme has been a resilient success as a programme. Its overall objectives—contributing to universal access to higher education and nudging students to acquire the skills needed for the advancement of the society and the economy—have been broadly achieved.

The less-than-overwhelming overall educational attainment is likely due to the compressed wage structure in the labour market. We place greater emphasis here on the undisputable fact that the programme has created benefits for its target groups. The economic and demographic changes that have taken place between 1945 and today demonstrate the shifting perspectives as to who needs the government's help to realize their opportunities through education, from the working class to the rural populace, women and the immigrant population. As we have seen, educational participation is now higher among women than men and higher among second-generation immigrants than in the general population.

Allowing students to focus fully on their studies is, however, one 'policy domain criterion' (McConnell 2017) where the programme can be considered a conflicted success rather than a resilient one. We have seen that a large share of Norwegian students have paid jobs to supplement state support in order to cover living costs, and that the student organizations have, for years, lobbied hard, with varying success, to tie the student economy to the general welfare development in society.

It should also be noted that the organization at the centre of the policy programme, the Norwegian State Educational Loan Fund, is one of the only three

remaining state-owned banks—government institutions that were numerous and considered essential in the postwar rebuilding of Norwegian society (Lie and Thomassen 2016). Its monopoly in offering student loans is not questioned by anyone in the political domain except the furthest-right party, the Progressive Party, and the organization enjoys very high levels of trust and satisfaction among citizens generally and its clients specifically (The Agency for Public and Financial Management 2020).

An additional point concerning the student support scheme's 'endurance' (Compton and 't Hart 2019) is that SELF has undergone many changes over the study period, some of them so dramatic that one could debate if the programme is the same as it once was. It is not altogether surprising that a policy programme has undergone major changes over the course of 75 years. Stability in terms of policy objectives and instruments is often considered positive, as an indication that a programme is like a bicycle—an invention so good that it cannot be improved. In the case of the Norwegian student support programme, a lack of change over time would have been a downright policy fiasco, because the programme's objectives are dynamic. As mentioned, the original objectives of equal opportunity to education and the provision of skills demanded by the labour market are dynamic. By implication, the programme should change too so it continues to deliver on these objectives. Looking at the programme outcomes, one can ask if they are the fruition of a grand scheme made at one point in time. The stability of the programme objectives, albeit dynamic, made-to-last ones, and of the administrative institution, SELF, suggest that the overall answer is yes.

Before we move on to the process assessment, note that the Norwegian student support scheme is costly. Probably, only a wealthy state with citizens willing to pay high taxes can carry the cost of generous grants and the risk of lending to students. Also, the scheme has side effects: having the chance to finance their studies without the support of the parents means young people can 'liberate' themselves from their family. Offering the highest grants to those students living outside their parents' household, as Norway's scheme does, gives additional incentives to 'leave home.' These are side effects some value more than others, depending on their view of the importance of family.

Process assessment

Process success refers to 'thoughtful and effective policy-making practices' (Compton and 't Hart 2019)—for example, with the policy-making process offering opportunities for different stakeholders to exercise influence and different forms of expertise to be heard. On this criterion, Norway's student support scheme should be considered a resilient success. A recurring feature of the 75-year policy story has been the presence and prominence of government-appointed

commissions consisting of experts, politicians and interest groups, including student organizations.

This is not an idiosyncratic feature of the higher education sector. Having ad hoc advisory committees submit policy proposals is a permanent, universal and uncontested feature of policymaking in Norway (Krick et al. 2019). The financial support scheme story shows that it is not always straightforward to draw the line between a proposal from a singular commission and a later government reform or policy change. Typically, each decade has seen a handful of government commissions with student financial aid as a core or peripheral issue in their mandate. In many cases, several years and sometimes several governments have passed before a commission's proposal reappears in a government reform proposal. What is clear, though, is that proposals from government commissions have been a mainstay and driving force of student support policymaking throughout the post-war period.

Process success also means that a programme enjoys a sustainable coalition of supporting interests and not just an ad hoc coalition securing the initial adoption of a policy (McConnell 2010). Overall, Norway's student support scheme can be considered a resilient success against this criterion too. The Labour Party was a main steward of the programme in the early years. Conservative governments have also left their marks on the programme, though, and overall, reforms during the study period have, with few exceptions, enjoyed broad cross-partisan support. For example, the 1947 genesis proposal was unanimously supported in the parliament, albeit not without debate. The importance throughout the programme's history of ad hoc advisory commissions, from 1947 onwards, suggests that corporatist-style consensus-building is one explanation for this phenomenon.

The working relationships in the Norwegian political arena, particularly between the shifting governments of different colour, is also a factor. Notably, governments have rarely reversed programme changes introduced by predecessors. One likely reason is that governments have repeatedly opted for watered-down compromises as solutions, even when they had the parliamentary strength to push through their primary policies. Since governments will continue to change, so will policies, unless one seeks a compromise from the start. The student financing policy story illustrates that Norway's political parties, particularly the major ones, appreciate policy stability and societal trust in politicians; the story suggests that the parties fear the consequences of cancelling out hard-won policy compromises. It is possible, therefore, that the story displays a 'common good' characteristic of the sort theorized by Elinor Ostrom: political parties are 'willing to initiate cooperative action when they estimate others will reciprocate and to repeat these actions as long as a sufficient proportion of the others involved reciprocate' (Ostrom 2000: 142).

Political assessment

One outcome of policies that provide significant political benefits and no problems to speak of is the enhancement of the reputation and electoral prospects of the government and its leaders. On this criterion, the student financing scheme is hard to place along McConnell's degrees of success scheme. If we focus on the political parties and the 22 governments that have come and gone since 1945, the programme is neither a great success any of them have been able to claim for themselves, nor a failure that potentially taints them. By and large, the programme has continuously been constructed as a compromise, and consecutive governments have not reversed decisions by predecessors. For the same reasons, if we focus on the political system and the political parties collectively, the programme is a case of resilient political success. Political contestations persist, notably on the overall level of support and on the merit element in the allocation of grants. Overall, though, the programme has an identity-conferring, above-politics kind of feature of the Norwegian welfare state, one 'infused with value' (Selznick 1957). Dismantling it, for example, by divorcing the administration of grants and loans, or discontinuing the state-owned student bank and its monopoly student loans is not something governments avoid out of fear of a pushback from, for example, student organizations, but something that is almost unimaginable.

Conclusion and Lessons

Success in the case of Norway's student financing policy was enabled by governments repeatedly taking the long view and seeking political compromise solutions rather than trying to engage in political point scoring. As a result, shifting governments have, in the main, incrementally changed the programme and avoided reversing past governments' reforms. This rationalistic approach to policymaking was assisted by a long list of ad hoc advisory committees consisting of experts and interested parties providing governments with policy proposals. The policy story therefore has strong elements of corporatism and evidence-based policymaking.

The prospects of the policy programme continue to be bright, with only small pockets of political resistance, even if state-owned banks—one of which is at the centre of the student financing scheme—are considered an institutional anachronism in other domains of state activity. A likely development is that the scheme's incorporation into general processes of the welfare state, including decision procedures concerning support levels, will become stronger rather than weaker. That will likely 'depoliticize' the programme, which will constitute a breach with decades of student financing being a chip in annual budget negotiations in the parliament.

Drawing lessons from a 75-year long policy story should be done with circumspection: simple emulation of institutions and practices that were built on decades of adaptive policymaking is likely impossible. Also, the policy history is affected, perhaps dominated, by a rationalistic, corporatist and evidence-oriented political culture that simply does not exist beyond north-western Europe. That said, (possibly naïve) candidate takeaways from the story are (1) that it is valuable to think of a policy programme as ‘eternal’ from its initiation and (2) that the tone the government sets from the start, concerning taking other parties’ view into account and seeking compromises, can affect future rounds of policymaking; in fact, it can echo for decades; in this case, it is might do so for another century.

Questions for discussion

1. Are you convinced Norway’s student support scheme should be considered a programmatic policy success? Is your assessment affected by the programme’s high costs for the state and side effects on family ties?
2. Why do you think the share of people that take a higher education course is not higher in Norway, despite the generous support scheme?
3. Is the success of this programme replicable in other contexts? Which contextual factors might hinder a successful replication?
4. Do you see any downside to student support, particularly the support levels, becoming increasingly integrated into the general welfare state logic and disengaged from the running party politics?
5. Do you think a generous support scheme can lure too many people into taking a higher education course? What would be indications of that, on individual and societal levels?

Links to online resources

Statistics Norway: Facts about students in Norway:

<https://www.ssb.no/en/utdanning/artikler-og-publikasjoner/did-you-know-these-facts-about-students-in-norway/>.

Eurostudent: Social and economic conditions of student life in Europe:

<https://www.eurostudent.eu/>.

The Norwegian government’s higher education policies: <https://www.regjeringen.no/en/topics/education/higher-education/id1415/>.

Norway’s state educational loan fund:

<https://lanekassen.no/en-US/presse-og-samfunnskontakt/about-lanekassen/>.

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