

DISCUSSION PAPER SERIES

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ABSTRACT

Equality of Opportunity and the Expansion of Higher Education in the UK*

Using nine waves of data from Understanding Society (UKHLS), we study the expansion of higher education in the UK, since the landmark Robbins Report in 1963, and its consequences for levels of and inequalities in household income, physical and mental health. We estimate fixed effects models accounting for both cohort and lifecycle effects and use entropy balancing to build a counterfactual scenario that fixes the opportunity set, in terms of the likelihood of being a graduate, at pre-Robbins levels. We confirm that the university expansion was characterised by a large increase in the proportion of graduates, with higher rates of graduation among individuals from more advantaged socioeconomic backgrounds. Having controlled for birth cohort and lifecycle effects, there is evidence of significant inequality of opportunity in the actual outcomes. However, comparing actual outcomes with counterfactual projections, we do not detect an impact of the expansion of higher education on inequality of opportunity (IOp) in income and only small reductions in IOp in physical and mental health.

JEL Classification: C1, D63, I12, I14

Keywords: equality of opportunity, higher education, entropy balancing, high dimensional fixed effects, health, income

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1 Introduction

Equality of opportunity (EOp) is an equity concept that inspires many public policies in contemporary Western societies such as the United States, sometimes known as the *land of opportunity*, the European Union, where the concept is implicitly included in the European Pillar of Social Rights, and in the United Kingdom (UK) Equality Act of 2010. It reflects a meritocratic ethic, with educational achievement often seen as an important pathway through which opportunities may be translated into individual attainments such as income and health, mediated by individual effort. In this context, access to university education may therefore be a key part of achieving EOp (e.g., Jones, 2019). The expansion of participation in higher education over recent decades is of particular relevance because it may have influenced the wellbeing of current generations and also because it is likely to affect the set of parental circumstances that future generations will experience during childhood and, consequently, their future wellbeing (e.g., Greenaway and Haynes, 2003; Blanden and Machin, 2004; Machin and Vignoles, 2004; Chowdry et al., 2013; Crawford et al., 2016). While the expansion of higher education has typically generated beneficial effects among all social classes and increased access to higher education (Shavit and Blossfeld, 1993), it is not clear whether this increased access resulted in changes in inequality in wellbeing. This paper focuses on the long-term expansion of participation in university education in the UK that has occurred since the landmark Robbins Report in 1963 and analyses the consequences for levels of wellbeing and inequality of opportunity (IOp).

The paper contributes to a growing literature that has assessed IOp in several aspects of people's life. Among others, the IOp literature includes analysis of income inequality (see Ferreira and Peragine, 2015 for a review), educational attainment (e.g., Ferreira and Gignoux, 2014) and health (e.g., Brunori et al., 2020; Carrieri and Jones, 2018; Carrieri et al., 2020; Davillas and Jones, 2020; Jusot et al., 2013; Li Donni et al., 2014; Rosa Dias, 2009, 2010; Trannoy et al., 2010). Despite differences in the methodological approach used, all these studies offer a normative assessment of the distribution of the outcomes of interest according to the EOp framework. Their ultimate scope is to identify, on the basis of a given set of opportunities, inequality that is attributable to circumstances for which individuals should not be held responsible.

While these studies advance our understanding of the fairness (or unfairness) of modern societies, they mostly provide a static analysis of IOp in attainments that are attributed to a set of circumstances that individuals faced at a particular point of their life (for example, during childhood). The majority of existing studies rarely look at the evolution of IOp across generations and how IOp varies when the set of opportunities changes as society evolves¹. Across generations and time, many societal changes can directly or indirectly increase or decrease the set of opportunities open to members of society — technological change, natural events or large-scale policy reforms may cause changes in the available set of opportunities. Societal changes may affect some generations more

¹ A notable exception is Peragine et al. (2014) who explored the association between inequality and economic growth based on the concept of the opportunity growth incidence curves.

deeply than others and, even within the same generations, these changes can still produce very asymmetric consequences across individuals with different socioeconomic backgrounds, affecting IOp in their wellbeing.

Educational reforms are seen as one of the most important social transformations of the second half of the Twentieth Century (Shavit et al., 2007) and a vast amount of interdisciplinary scientific knowledge recognises a key role for education as a primary factor in human development. As one of the most important, large-scale societal changes in the UK, we focus here on the expansion of participation in university education that has occurred since the landmark Robbins Report in 1963 (Greenaway and Haynes, 2003; Blanden and Machin, 2004; Machin and Vignoles, 2004; Chowdry et al., 2013; Crawford et al., 2016)². The report rejected the notion that only a small minority were capable of benefiting from higher education. At that time in the UK about 4 in every 100 young people entered full-time courses at university and only one per cent of working-class girls and three per cent of working-class boys went on to full-time degree level courses (Barr, 2014). The Robbins report argued that university places "should be available to all who were qualified for them by ability and attainment" (the so-called Robbins principle), recommending immediate expansion of universities, and that colleges of advanced technology should be given the status of universities. The impact of the recommendations was reflected in the rapid expansion of university provision in the decade between 1963 and 1975 and in continued growth since then. The overall number of universities in the UK has increased threefold since the 1960s (Greenaway and Haynes, 2003). The growth in the number of institutions happened in stages: with 20 new universities created around the time of the Robbins report and then when former polytechnics and colleges became universities with the end of the binary divide in the early 1990s. Institutions have also expanded their enrolment of students, although the spending available per student has declined substantially (Greenaway and Haynes, 2003). The consequences of this expansion have received considerable attention in the literature (e.g., Greenaway and Haynes, 2003; Blanden and Machin, 2004; Machin and Vignoles, 2004; Chowdry et al., 2013; Crawford et al., 2016). However, the availability of new longitudinal data allows a longer-term follow up of the consequences for inequality of opportunity, based on recent developments in methods for the measurement of inequality.

Using longitudinal data from *Understanding Society: the UK household longitudinal study* (UKHLS), we follow individuals from different generations over a wide time interval covering the period between Wave 1 (2009-11) and Wave 9 (2017-19). This

² The studies by Blanden and Machin (2004), Machin and Vignoles (2004), Chowdry et al. (2013) and Crawford et al. (2016) focus on the socioeconomic gap in participation in higher education in the UK and the implications for intergenerational mobility over the period of expansion. There are studies that explore the impact of higher education reforms in Italy on EOp but these are limited to individual educational careers at tertiary level or access to universities (e.g., Bratti et al., 2008; Brunori et al., 2012), rather than expanding their analysis to broader wellbeing outcomes (such as income or health attainment). There are also existing studies that examine the association between reforms of the quality of the primary and secondary schools in England and Wales and EOp (e.g., Burgess et al., 2020; Jones et al., 2012, 2014); however, these studies focus on secondary school reforms, rather than on higher education.

allows us to make like-for-like comparisons of the wellbeing outcomes of interest (income, physical and mental health functioning) across birth cohorts for similar age ranges and for a long period of follow-up. The Baby Boomers, born between 1946 and 1964, were the first generation affected by the Robbins expansion, as the oldest members of this generation were aged 17 in 1963 when the Robbins Report was published. Capitalising on the availability of longitudinal data on younger and older generations, we analyse the association of pre-determined individual circumstances (parental education and occupational status, gender and ethnic origin) with our wellbeing outcomes as society evolved over time. Availability of longitudinal data for respondents from the Silent (born 1927-1945), Boomer (1946-1964) and Gen X (1965-1980) generations allows us to make like-for-like comparisons of outcomes for similar age range across generations. We compare actual outcomes with counterfactual projections that keep the likelihood of university graduation and the joint distribution of graduation and social circumstances, fixed at the levels prior to 1963 (which, in practice corresponds to birth years prior to 1946)³, when the Boomers, the youngest birth cohort affected by the Robbins reform, turned 17.

Specifically, by accounting for fixed effects for both year of birth and year of current age, we estimate the role of pre-determined circumstances for later life outcomes net of potentially confounding by lifecycle and birth cohort effects. We estimate models using actual and counterfactual scenarios. Counterfactual analysis is conducted using entropy balancing to freeze the likelihood of university graduation and the joint distribution of graduation and circumstances to the pre-1963 levels. In subsequent analysis, we explore to what extent differences in the available set of opportunities and their association with our wellbeing outcomes affects IOp. Shapley decomposition techniques are used to quantify the contribution of each of the circumstances to IOp. Comparison to the counterfactual projections reveals how the relative role of each circumstance has changed as society has evolved.

Our findings confirm that the university expansion led to a large increase in the proportion of graduates among younger cohorts and that this expansion was more pronounced in absolute terms among those from more advantaged socioeconomic backgrounds. Having controlled for birth cohort and lifecycle effects, there is evidence of IOp in the actual outcomes, with significant gradients in income, and physical and mental health functioning by parental education and occupation. However, comparing actual outcomes with counterfactual projections, we do not detect significant effects of the expansion of higher education on IOp in income and only small reductions in IOp in physical and mental health functioning.

³ Given that our set of circumstance variables are time invariant as those born prior to 1946 are, in practice and given the structure of our data, those not expected to be affected by the 1963 Robbins expansion, we use the terms “birth cohorts prior to 1946” and “prior to 1963” interchangeably in our paper.

2 Methods

2.1 The outcome regression models

We adopt an *ex ante* approach to measuring inequality of opportunity (Ramos and Van de Gaer, 2016). This follows the literature and assumes a responsibility cut such that factors associated with individual attainments (y_{it}) can be grouped into two categories: a) effort factors, for which individuals should be held partially responsible, and b) circumstances which are beyond individuals' control (Roemer 1998, 2002). The notion of *ex ante* IOp focuses on the distribution of outcomes that are available for a given set of circumstances prior to an individual's specific level of effort being realised (for example, Ramos and Van de Gaer, 2016). *Ex ante* IOP then rests on the comparison of opportunity sets and, given utilitarian reward, these are reflected in the mean outcome for a given set of circumstances. Individual efforts do not have to be observed to implement this approach.

Following the IOp literature (Bourguignon et al., 2007; Davillas and Jones, 2020; Ferreira and Gignoux, 2011; Roemer, 1998, 2002), the first step in our analysis is to derive and estimate reduced form regressions for the outcomes of interest, as a function of circumstances, that allow for lifecycle and birth-cohort fixed effects. We begin with a structural model for outcomes and (unobserved) efforts, assuming that circumstances are not affected by efforts, while efforts may be influenced by circumstances:

$$y_{it} = f(C_{it}, E_{it}, X_{it}, u_{it}) \quad (1)$$

$$E_{it} = g(C_{it}, X_{it}, v_{it}) \quad (2)$$

where y_{it} is the outcome of interest measuring individual attainments for each individual (i) at time (t), C_{it} is a vector of observed circumstances, E_{it} is a vector of all relevant efforts and X_{it} are controls for age and birth cohort effects; v_{it} and u_{it} are unobserved error terms which capture the random variation in the realised effort and outcomes, often called 'luck' in the IOp literature (e.g., Davillas and Jones, 2020). The variation in E that is independent of C is represented by v_{it} , while u_{it} captures random variations in our outcomes that are independent of both C and E .

Assuming additive separability and linearity of $f(\cdot)$ and $g(\cdot)$, the linear reduced form, that forms the basis for our analysis of *ex ante* inequality of opportunity, can be derived (e.g., Carrieri et al., 2020):

$$y_{it} = C_{it}\psi + X_{it}\beta + \varepsilon_{it} \quad (3)$$

where the coefficients ψ reflect the total contribution of circumstances and include both the direct effect of circumstances on health, and the indirect effect of circumstances through efforts. In equation (3) X is modelled using year of birth and year of age fixed

effects.⁴ Note that the set of effort factors do not need to be defined or observed in order to derive the reduced form (3). The mean-based direct parametric approach to measure *ex ante* IOp is based on using predictions from the reduced form in equation (3), with the age and birth cohort fixed effects absorbed:

$$\tilde{y}_{it} = C_{it}\hat{\psi} \quad (4)$$

where $\hat{\psi}$ represents the estimates of the coefficients in equation (3) (e.g., Abatemarco, 2015; Ferreira and Gignoux, 2011, Li Donni et al., 2014; Rosa Dias, 2010; Trannoy et al., 2010;). The predicted outcomes are the same for all individuals who have identical circumstances (Ferreira and Gignoux, 2011). It should be explicitly noted here that these predictions capture the association between C and our outcomes, net of the potential role of age and birth-cohort effects; i.e. they are marginal to the high dimensional fixed effects for age and birth cohort and capture only the variation in our outcomes that is associated with observed C .

2.2 Measures of *ex ante* inequality of opportunity

IOp can be estimated using an inequality measure ($I(\cdot)$) applied to the vector of predicted outcomes \tilde{y} :

$$\theta_a = I(\tilde{y}). \quad (5)$$

A relative measure of IOp, expressing IOp as a fraction of the overall inequality in our outcomes ($I(y_i)$), can be obtained by:

$$\theta_r = \frac{I(\tilde{y})}{I(y)}. \quad (6)$$

For household income, we use the mean logarithmic deviation (MLD) inequality index (Ferreira and Gignoux, 2011). Income is a ratio-scale outcome and MLD is a path-independent decomposable inequality measure that satisfies the typical axiomatic properties used in the inequality measurement literature (Ferreira and Gignoux, 2011;

⁴ In practice, we employ a higher dimensional fixed effects regression, where birth year and year of age fixed effects are absorbed into the estimation (Guimarães and Portugal, 2010; Correia, 2017). Correia (2017) has developed a Stata command, `reghdfe`, that is used in our paper; it is an improved version of the generalized within-estimator of Guimarães and Portugal (2010) which has faster running time, and performs well with large datasets and high-dimensional fixed effects. Typically, in the case that there is more than one higher dimensional fixed effect, explicit introduction of dummies for each of the units (groups) in the estimation models may not be an option, given that the number of groups is often too large. However, in our case and given our sample size (99,409 person-year observations), the number of age and birth year cohort dummies to be included in our models to account for fixed effects (i.e., 44 age dummies and 41 birth year cohort dummies) is not too large to rule out their explicit introduction in our regression models. Our regression results are identical when estimating higher dimensional fixed effects regression models (using the user-written `reghdfe` command) and when age and birth year cohort dummies are included in our regression models directly, but the former computes predictions that are marginal to the fixed effects and only vary with the measured circumstances.

Wendelspeiss Chávez Juárez and Soloaga, 2014). For the PCS-12 and MCS-12 outcomes the variance (and variance share) is used as our inequality measure, being a path-independent decomposable measure that is more appropriate for outcomes that are not ratio-scaled (Ferreira and Gignoux, 2011; Wendelspeiss Chávez Juárez and Soloaga, 2014). We should note that our IOp analysis does not account for unobserved circumstances that are not available in the dataset. However, equations (5) and (6) can be interpreted as lower-bound estimates of inequality due to all predetermined circumstances (Davillas and Jones, 2020; Ferreira and Gignoux, 2011).

2.3. *Decomposition of IOp*

Following estimation of equations (5) and (6), a Shapley decomposition is used to explore the contribution of each of the circumstances to the total IOp in our wellbeing measures (Davillas and Jones, 2020; Shorrocks, 2013; Wendelspeiss Chávez Juárez and Soloaga, 2014). Unlike other decomposition methods, the Shapley decomposition is path independent and exactly additive (all components sum up exactly to the total IOp). To satisfy path independence, the Shapley decomposition allows for inequality measures for all possible permutations of circumstances to be estimated and, then calculates the average marginal effect of each circumstance variable on the total IOp (Davillas and Jones, 2020; Shorrocks, 2013; Wendelspeiss Chávez Juárez and Soloaga, 2014).

2.4 *Using entropy balance reweighting to create counterfactual projections*

Our counterfactual projections are based on the notion of holding constant the likelihood of being a university graduate and having different levels of circumstances – in effect, fixing the opportunity set in terms of the likelihood being a graduate. This provides a hypothetical benchmark in which the proportions of people holding a degree and having each level of circumstances is rolled forward from the pre-Robbins period, all else held constant⁵. The counterfactual projection is achieved by a reweighting approach (e.g. DiNardo et al., 1996; Fortin et al., 2011; Firpo & Pinto, 2015). We use entropy balance reweighting to adjust the likelihood of being a university graduation and the joint distribution of graduation and circumstances, to the levels prior to 1963, the date from which the Robbins reforms became effective.

Entropy balancing minimizes an entropy distance metric subject to balancing constraints (for example, equality of means of the covariates between the comparison groups) and normalizing constraints that ensure non-negative weights (Hainmueller, 2012; Hainmueller and Xu, 2013). This generates weights to be applied in the regressions and other analyses. While entropy balancing operates on the moments of the univariate distributions for each control variable separately, it is possible to extend the algorithm so that balancing applies to their interactions and hence their co-moments. Other matching or propensity score adjustments often result into low level of covariate

⁵ In reality, in the absence of the expansion of higher education, many other things may have changed so these counterfactual projections should not be regarded as forecasts and the analysis is not intended to be causal.

balance in practice or rely on time-consuming searches over propensity score models to find a suitable balancing solution (Hainmueller, 2012). Entropy balancing directly incorporates information about the known sample moments and adjusts the weights to obtain exact covariate balance for all moments and co-moments included in the reweighting scheme.

In practice, our entropy balancing approach computes the mean of the covariates in the cohorts that are not affected by the 1963 Robbins reform (the pre-1946 birth cohorts); then, finds a set of entropy weights such that the corresponding means of the reweighted group of individuals affected by the Robbins reform (post-1945 birth cohorts) match the means from the pre-1946 birth cohort. A binary measure of graduation along with its interactions with each of the circumstance variables are used as covariates in the entropy balancing algorithm. This balances the overall level of graduation pre- and post-Robbins as well as the joint distribution of graduation and the categorical measures of circumstances.

The counterfactual analysis is implemented by estimating equations (3)-(6) after accounting for the entropy balancing weights. Given that we are reweighting to keep the likelihood of being a graduate and having each level of circumstance at the pre-Robbins levels, this implicitly changes the balance of circumstances between weighted and unweighted samples. At the same time this also means a reweighting of the wellbeing outcomes and hence of the relationship between our outcome variables and C (equations 3 and 4) along with our measures of IOp (equations 5 and 6). Comparisons between the actual and counterfactual scenarios allows us to explore the role of the expansion of higher education on our outcomes, their association with C and, hence, on measures of IOp. Shapley decomposition analysis is also implemented for both actual and counterfactual IOp measures to explore the contribution of each circumstance variable to the total IOp.

3 Data

Data come from *Understanding Society (UKHLS)* a longitudinal, nationally representative study of the UK. We use the General Population Sample (GPS) component of UKHLS, a random sample of the general population. We use data for Waves 1-9, and we restrict the sample to those born in the UK, as we are interested in the expansion of higher education in the UK.

3.1 Generations and higher education reforms in the UK

Given the span of the longitudinal data available in our dataset, there are five commonly defined “generations” that can be identified: the Silent Generation; Baby

Boomers; Gen X; Gen Y or Millennials; and Gen Z⁶. Table 1 contains the birth years range for each generation (birth years for the youngest and oldest members of each generation) along with the age range for each generation at the time of key higher education reforms that have contributed to changes in higher education in the UK: the post-Robbins expansion of universities [1963], the creation of the new “post-92” universities from polytechnics and colleges [1992] and the expansion of university tuition fees and student loans [1998] (Greenaway and Haynes, 2003).

The age ranges for the youngest and oldest members of each generation in the first (Wave 1) and our last wave (Wave 9) of our data panel are shown in Table 1. For example, the youngest members of the Silent Generation (born in 1945) are likely to be observed in the age range 64-66 in UKHLS Wave 1 (depending on the exact field-work dates, i.e., between 2009-11). Given that we focus on the role of the long-term post-Robbins expansion of university places, the Boomers (born between 1946-1964) were the first generation affected by this period of expansion as the oldest members of this generation were aged 17 in 1963 (when the Robbins Report was published). Respondents who were born before 1946 were much less likely to be affected by the post-Robbins expansion as they were aged 18 and over during the expansion of university places (“pre-Robbins” cohorts or the Silent Generation, see Table 1).

Table 1. Generations available in UKHLS and major higher education reforms

Cohort	Date of birth	Aged 18	Age in 1963: Robbins expansion	Age in 1992: new universities	Age in 1998: fees	Age in 2009-11: UKHLS Wave 1 [†]	Age in 2017-19: UKHLS wave 9 [†]
Silent	1927	1945	36	65	71	82-84	90-92
	1945	1963	18	47	53	64-66	72-74
Boomers	1946	1964	17	46	52	63-65	71-73
	1964	1982		28	34	45-47	53-55
Gen X	1965	1983		27	33	44-46	55-54
	1980	1998		12	18	29-31	37-39
Gen Y/Millennials	1981	1999		11	17	28-30	36-38
	1996	2014			2		21-23
Gen Z	1997	2015					20-22
	2001	2019					16-18

[†] Age intervals reflect the oldest and youngest members for each generation calculated as the difference between birth year and the period when fieldwork for the UKHLS Wave 1 (2009-2011) and UKHLS Wave 9 (2017-2019) is conducted.

Given the panel structure of the data, we restrict our working sample so that we are able to make like-for-like comparisons of outcomes for each cohort for the similar age

⁶ We use labels for generations that are in common usage for expositional purposes. Note that the regression analysis controls for birth cohorts using fixed effects for the exact year of birth.

range (by using birth cohort and age fixed effects in our regression models). We have, thus, restricted our working sample to exclude the youngest two generations (Gen Y/Millennials and Gen Z); to achieve like-for-like balance in the age range by cohort we further limit our sample to those below the age of 73 years old (reflecting the oldest age observed for Boomers in our dataset) and to over 29 years old (reflecting the youngest age observed for Gen X). As a result of this, there is limited sample size for the birth cohorts born between 1935 and 1940 and, thus, we exclude those respondents from our final sample.

We create a dichotomous indicator for holding an undergraduate university degree or a university higher degree (e.g., MSc, PhD); this is based on a derived variable that measures the respondent's highest academic qualification, which is updated in each UKHLS wave to include the most recent qualifications of new entrants.

3.2 Outcomes (y)

We use three measures of wellbeing that are available in all nine UKHLS waves used here: household income, the physical component summary score of the SF12 (PCS-12) and the mental summary score of the SF12 (MCS-12). Household income in the month prior to the interview is provided as a derived variable in the dataset. In order to facilitate comparisons over time and between households of different sizes, household income is deflated, using the Retail Price Index, to express income in January 2010 prices, and equivalised using the modified OECD scale. The SF-12 is a self-administered, generic (not disease-specific) measure of health that contains 12 questions covering two dimensions: physical and mental health. The SF-12 reflects the current health status of the respondents and all questions are asked in each of the nine UKHLS waves used here. The PCS-12 and MCS-12 scores are provided as derived variables by the dataset; they are constructed from responses to the twelve health related questions using explorative factor analysis (Ware et al., 1995). For this study we use the PCS-12 and the MCS-12 separately; these measures are reliable instruments developed to measure physical and mental health in large scale surveys with higher values of sensitivity and specificity compared to other brief health scales (Burdine et al., 2000; Gill et al., 2007; Ware et al., 1995; Ziebarth, 2010). Both the PCS-12 and the MCS-12 are used in the existing literature as measures of physical and mental health (e.g. Marcus, 2013; Schmitz, 2011; Ziebarth, 2010). By definition, PCS-12 scores have values between 0 and 100 and are standardized to have a mean of 50 and a standard deviation of 10; higher values indicate better physical and mental health, respectively.

3.3 Socioeconomic Circumstances (C)

The choice of measured circumstance factors follows recent empirical literature, informed by the normative framework of equity in wellbeing outcomes, such as health and income or earnings (e.g., Bourguignon et al., 2007; Carrieri and Jones, 2018; Checchi and Peragine, 2010; Davillas and Jones, 2020; Ferreira and Gignoux, 2011; Jusot et al., 2013; Rosa Dias, 2009, 2010). Parental socioeconomic status (SES) is regarded as an important source of IOp in wellbeing, being beyond individual's control

and exerting a lasting effect on individual’s adult health and income (Bourguignon et al., 2007; Checchi and Peragine, 2010; Davillas and Jones, 2020). In this study we use both parental occupational status and parental education to proxy childhood SES. Occupational status of the respondent’s mother and father, when the respondent was aged 14, is measured using two categorical variables (one for each parent) with four categories: not working or lowest-skilled occupation (skill level 1) [reference group]; occupations that require a longer period of work-related training/ work experience (skill level 2); occupational skill level 3 that includes technical and trades occupations and proprietors of small businesses; highest occupational category (skill level 4) that includes professional occupations and high level managerial positions. These occupational categories are created following the skill level structure of the Standard Occupational Classification 2010. Parental education is measured using separate categorical variables for mother and father education. These are five category variables measured as: left school with no qualification (reference group); left school with some qualification; post-school qualification/certificate; degree (university or other higher-education degree). Descriptions and mean values for all variables used in our analysis are available in Table A1 (Appendix). After excluding missing data on all variables used in our analysis, our working sample contains 99,409 observations across the nine UKHLS waves.

4 Results

4.1. *Descriptive statistics and entropy balancing*

To demonstrate the efficacy of the entropy balancing algorithm, Table 2 presents the mean values for the proportion of graduates and the interactions between being a graduate and the categorical levels of circumstances, for the pre-1963 (pre-Robbins) and for the post-Robbins period, with and without entropy balancing weights. Comparisons reveal substantial differences for the birth cohorts before and after 1946 (i.e., those birth cohorts that are not affected or affected by the 1963 Robbins report) and that these differences are eliminated using our entropy balancing weights. For example, our entropy balancing weights adjust the post-1946 birth cohort university degree levels to the pre-1946 levels, i.e., a 16% prevalence rate and all of the joint frequencies, given by the interaction terms, are balanced pre- and post-Robbins. Table A2 (Appendix) provides a comparison of the mean values of circumstances with and without the entropy balancing weights.

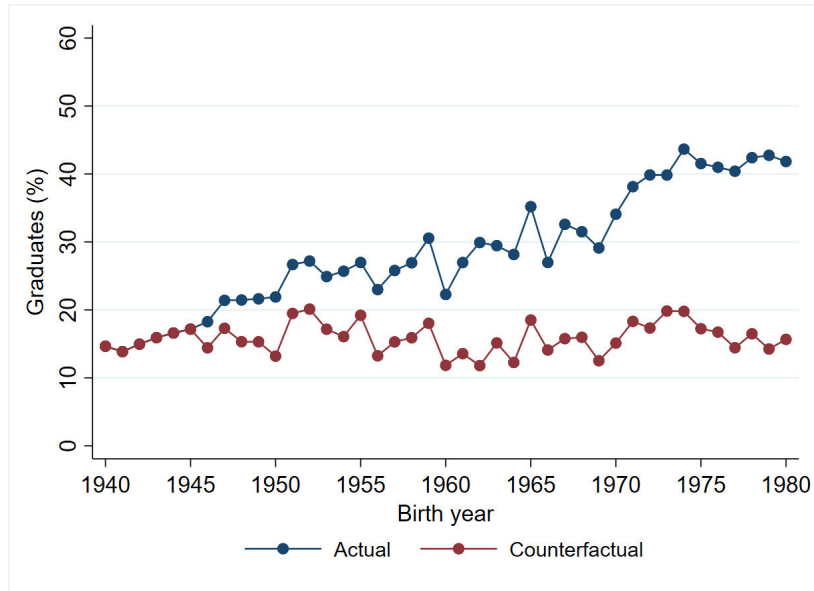
Table 2. Entropy balancing for cohorts affected by the 1963 Robbins reform (birth cohort \geq 1946) and for the pre-1946 birth cohorts

	Pre-Robbins cohorts	Post-Robbins cohorts	Post-Robbins cohorts
		Unweighted	Weighted
Degree	0.16	0.30	0.16
Proportion who are graduates and have circumstance level:			
Male	0.11	0.13	0.11
White	0.16	0.29	0.16
Mother's education			
Some qualification	0.04	0.11	0.04
Post school quals/certs	0.02	0.07	0.02
University/higher education degree	0.01	0.03	0.01
Father's education			
Some qualification	0.02	0.07	0.02
Post school quals/certs	0.04	0.10	0.04
University/higher education degree	0.02	0.06	0.02
Mother's occupation			
Skill level 2	0.03	0.09	0.03
Skill level 3	0.01	0.03	0.01
Skill level 4 (high-skilled)	0.01	0.06	0.01
Father's occupation			
Skill level 2	0.03	0.06	0.03
Skill level 3	0.08	0.12	0.08
Skill level 4 (high-skilled)	0.04	0.10	0.04

Notes: UKHLS waves 1-9. Details of the working sample are available in the data sub-section.

Figure 1 presents plots of the actual and counterfactual university graduation rates (the proportion of those holding a university degree) by birth year. For the counterfactual scenario entropy balancing keeps the likelihood of graduation to the levels experienced by those cohorts not affected by the Robbins reform (pre-1946 cohorts). As expected, given the scope of the Robbins principle to expand university participation to include all those “who are qualified by ability and attainment”, there is sharp increase in graduates by birth cohort, with an increasing gap between actual and counterfactual predictions in the proportion of graduates for younger birth cohorts. For example, the proportion of university graduates is around 42% for the 1980 birth cohort, much higher than the corresponding proportion (around 15%) in the counterfactual scenario. As shown in Figure 1, university graduation rates for actual and counterfactual analysis coincide for the 1940-1945 cohorts as these are not reweighted.

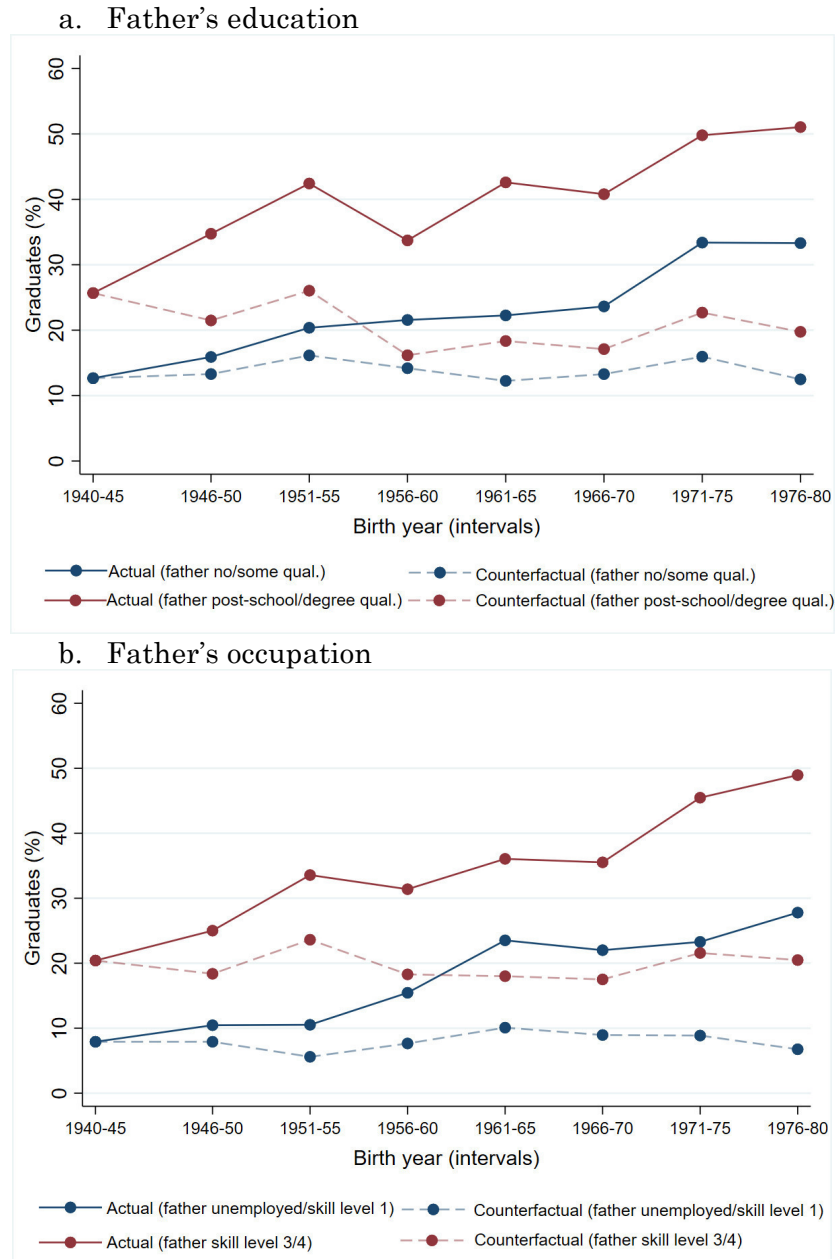
Figure 1. Actual and counterfactual university graduation rates (%) by birth cohort.



Notes: UKHLS waves 1-9. Details on the working sample are available in the data sub-section. The predicted proportion of graduates is based on linear probability models of the probability of holding a degree on birth cohorts separately for the actual and counterfactual analysis.

To illustrate how rates of graduation vary with parental circumstances, Figure 2 presents the actual and counterfactual university graduation rates by birth year (expressed in intervals), separately for the higher and lower categories of father’s education and occupational (the corresponding results for mother’s education and occupation are presented in Figure A1, Appendix). The actual data show that rates of graduation increased over time for all groups but the gap in rates of graduation between the higher and lower groups did not converge (in line with Blanden and Machin, 2004 and Crawford et al., 2016). Machin and Vignoles (2004) and Chowdry et al. (2013) have shown that much of this socioeconomic gradient in participation in the UK is attributable to differences in educational attainment at school and that the link between this achievement and parental socioeconomic status has increased during the period of university expansion. Moreover, a recent study argues that more advantaged families are better able to access and utilize universally available programmes (Heckman and Landersø, 2021). Similar patterns are observed in the case of the corresponding university graduation rates by mother’s education and occupational categories (Figure A1, Appendix). Overall, our results show that the expansion of university places may have been more beneficial (in absolute terms) for those of more advantaged socioeconomic backgrounds, as shown by the absolute difference in the actual and counterfactual predictions for those with low and high parental background.

Figure 2. Actual and counterfactual university graduation rates (%) by birth cohort: analysis by father's education and occupation



Notes: UKHLS waves 1-9. Details on the working sample are available in the data sub-section. The predicted proportion of graduates is based on linear probability models of the probability of holding a degree on birth cohorts separately by father education and occupation categories for the case of actual and counterfactual analysis.

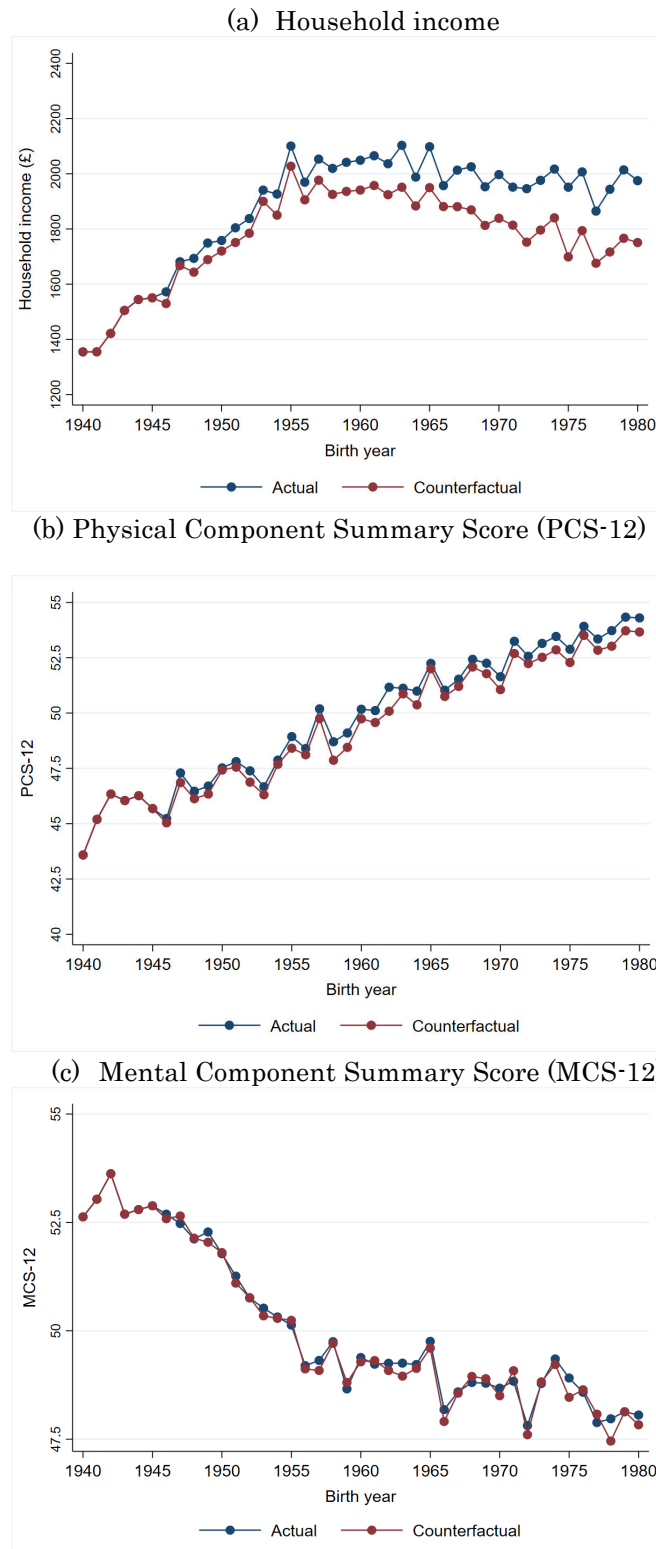
Figure 3 plots the overall trends in the wellbeing outcomes by birth cohort. In Panel A, the graph shows an inverted U-shaped relationship between real equivalised income and year of birth with the peak corresponding to Baby Boomers who are currently between their mid-fifties and mid-seventies. For all post-1945 birth cohorts, household income is higher for the actual data than the counterfactual. The gap between actual and counterfactual income predictions increases for younger birth cohorts. For example, the difference between the actual and counterfactual predicted household income is around £224 for the youngest birth cohort (1980), which is equivalent to 20 per cent of the standard deviation of income in our dataset (across waves and generations).

Figure 3 Panel B shows a monotonically increasing relationship between physical health functioning (PCS-12) and year of birth, reflecting the relationship between physical health and age. There is much lower (as compared to income) difference in the actual and counterfactual projections of physical health functioning across all the post-1945 birth cohorts. For example, in the case of the youngest birth cohort (1980), the difference between actual and counterfactual PCS-12 predictions is equivalent to around 6% of the standard deviation of the PCS-12 score (i.e., a difference of 0.633 PCS-12 units).

On the other hand, Panel C shows that the relationship between the mental health component of the SF-12 and year of birth is monotonically decreasing, with poorer mental health reported by younger people. There is almost no difference between the actuals and counterfactuals across generations for mental health (Figure 3, Panel C).

Overall, the descriptive analysis suggests that cohort trends differ for the three outcomes we consider and that the counterfactual reweighting changes the trend for income but has a more limited effect on the health outcomes. The regression analysis, that follows, controls for cohort trends in outcomes along with age effects using fixed effects.

Figure 3. Actual and counterfactual outcomes by birth cohort



Notes: UKHLS waves 1-9. Details on the working sample are available in the data sub-section. The predicted outcomes (income, physical or mental health functioning) are based on regression models on birth cohorts separately for the actual and counterfactual analysis.

4.2. *Regression models*

Table 3 presents results from our regression models of household income on circumstances, adjusted for birth cohort and age fixed effects. Separate models are estimated for actual and counterfactual scenarios. The results show a strong positive parental (for both mother’s and father’s) education gradient in household income, in both the actual and counterfactual analyses. For example, the average (monthly) income gap of those respondents whose mother holds a university/higher education degree, as opposed to no qualifications, is £280, *ceteris paribus*; the corresponding income gap is lower at £228 for the counterfactual analysis. Moreover, mother’s and father’s occupation (at the respondent’s age of 14) play a long-lasting role in respondent’s future household income. Specifically, in both the case of actual and counterfactual analysis, we observe positive gradients with parental occupational skill levels, which are steeper for father’s as opposed to mother’s occupational status. The average monthly income gap for those having a father with a high skilled job (skill level 4), as opposed to those with an unemployed/low skilled father, is £425; the corresponding gap is lower (£397) for the counterfactual analysis. On average, men have £135 more household income (in the month prior to the interview) than women, which is lower than the relevant gap (£186) that would have been observed if with rates of graduation fixed to pre-1946 levels (counterfactual analysis).

Table 4 presents the results for our measure of physical health functioning (PCS-12). These show that men have, on average, better physical health than women (0.74 versus 1.138 for the actual and counterfactual analyses, respectively). Mother’s and father’s education play a systematic role for people’s later life physical health, with differences being more pronounced in the actual data. There are steeper and more pronounced father’s (rather than mother’s) occupational gradients in physical health. The counterfactual analysis shows that having a father in a high-skilled occupation (when respondent aged 14) results in a higher PCS-12 score of about 2.49 points (better physical health functioning) compared to those with an unemployed/low skilled occupation; the corresponding gap in physical health score is a little lower (2.27 PCS-12 units) with the actual data.

Results for mental health functioning are presented in Table 5. Men and those of white origin experience better mental health in the actual and the counterfactual analysis; the effects are lower in the actual as opposed to the counterfactual analysis. Mother’s education at the age of 14, but not father’s, plays a systematic role on individuals mental health functioning later in their adult life; there is a strong association between mother’s education and better mental health functioning for both actual and counterfactual estimates. Father’s occupation at respondent’s age of 14 and to lesser extent mother’s occupation have systematic gradients in mental health functioning (Table 5).

Table 3. Household income regression models: actual and counterfactual scenarios

	Actual	Counterfactual
Male	134.8*** (15.5)	186.1*** (20.0)
White	75.8 (62.6)	94.1 (104.4)
Mother's education		
Some qualification	175.5*** (21.2)	142.9*** (30.5)
Post school quals/certs	202.0*** (27.8)	204.2*** (41.2)
University/higher education degree	280.3*** (52.3)	228.0*** (84.9)
Father's education		
Some qualification	80.8*** (23.5)	98.9*** (32.9)
Post school quals/certs	83.2*** (21.4)	80.7*** (28.6)
University/higher education degree	252.2*** (41.4)	201.0*** (58.6)
Mother's occupation		
Skill level 2	129.7*** (18.1)	76.5*** (23.7)
Skill level 3	124.4*** (28.3)	91.8** (37.1)
Skill level 4 (high-skilled)	241.5*** (35.9)	129.1** (62.2)
Father's occupation		
Skill level 2	122.2*** (22.4)	99.5*** (25.2)
Skill level 3	197.4*** (21.6)	183.5*** (24.5)
Skill level 4 (high-skilled)	425.3*** (31.6)	396.9*** (39.3)
Constant	1343.2*** (63.2)	1178.8*** (102.0)
Sample size		99,409

Notes: Birth cohort and age fixed effects are accounted for in both models. Robust standard errors clustered at the individual level are presented in parentheses.

*Statistical significance = 10%. **Statistical significance = 5%. ***Statistical significance = 1%.

Table 4. Physical Component Summary Score (PCS-12) regression models: actual and counterfactual scenarios.

	Actual	Counterfactual
Male	0.74*** (0.15)	1.138*** (0.27)
White	0.33 (0.45)	0.67 (0.78)
Mother's education		
Some qualification	1.04*** (0.21)	0.98*** (0.36)
Post school quals/certs	1.41*** (0.25)	2.08*** (0.44)
University/higher education degree	1.40*** (0.40)	1.61* (0.84)
Father's education		
Some qualification	0.75*** (0.22)	0.55 (0.39)
Post school quals/certs	0.33 (0.22)	0.41 (0.39)
University/higher education degree	1.50*** (0.32)	0.089 (0.62)
Mother's occupation		
Skill level 2	0.55*** (0.18)	0.36 (0.32)
Skill level 3	0.19 (0.30)	-0.32 (0.54)
Skill level 4 (high-skilled)	0.43 (0.28)	-0.74 (0.62)
Father's occupation		
Skill level 2	0.87*** (0.27)	0.96** (0.44)
Skill level 3	1.43*** (0.25)	1.43*** (0.41)
Skill level 4 (high-skilled)	2.27*** (0.30)	2.49*** (0.51)
Constant	46.80*** (0.48)	44.56*** (0.83)
Sample size		99,409

Notes: Birth cohort and age fixed effects are accounted for in both model estimations. Robust standard errors clustered at the individual level are presented in parentheses.

*Statistical significance = 10%. **Statistical significance = 5%. ***Statistical significance = 1%.

Table 5. Mental Component Summary Score (MCS-12) regression models: actual and counterfactual scenarios

	Actual	Counterfactual
Male	1.84*** (0.12)	2.20*** (0.17)
White	1.27*** (0.48)	1.96** (0.72)
Mother's education		
Some qualification	0.76*** (0.17)	0.42 (0.24)
Post school quals/certs	0.52** (0.21)	0.77*** (0.27)
University/higher education degree	0.89** (0.35)	1.34** (0.54)
Father's education		
Some qualification	0.24 (0.18)	0.21 (0.25)
Post school quals/certs	-0.09 (0.17)	0.02 (0.24)
University/higher education degree	0.22 (0.28)	0.65* (0.38)
Mother's occupation		
Skill level 2	0.41*** (0.14)	0.31 (0.21)
Skill level 3	0.19 (0.23)	0.41 (0.30)
Skill level 4 (high-skilled)	0.44* (0.24)	0.14 (0.36)
Father's occupation		
Skill level 2	0.81*** (0.21)	0.52* (0.28)
Skill level 3	1.20*** (0.21)	0.81*** (0.27)
Skill level 4 (high-skilled)	1.20*** (0.25)	0.85** (0.34)
Constant	46.44*** (0.50)	47.34*** (0.75)
Sample size		99,409

Notes: Birth cohort and age fixed effects are accounted for in both model estimations. Robust standard errors clustered at the individual level are presented in parentheses.

*Statistical significance = 10%. **Statistical significance = 5%. ***Statistical significance = 1%.

4.3. *Inequality of opportunity*

Table 6 presents descriptive statistics and inequality measures for the fitted income and health outcomes, based on the models presented in Tables 3-5, for the actual and counterfactual analyses. Turning to the income models (Panel A), as expected given improvement in the university graduation opportunities, the predicted mean values and quantiles of the income distribution attributed to circumstances are lower when graduation rates are fixed at pre-1963 levels (counterfactual) as opposed to allowing them to vary across generations (actual).

The inequality measures show that absolute and relative IOp in income are similar between actual and counterfactual analyses. Although we find that the difference in the inequality measures between actual and counterfactual are statistically significant (at the 1% level), the IOp measures do not differ substantially in practice. Our relative IOp measures suggest that the proportion of the total inequality in household income that is attributed to the pre-determined circumstances is comparable in the case of actual (6.57%) and counterfactual (6.52%) scenarios.

Table 6, Panel B presents the results for physical health (PCS-12). As in the case of income, limited differences are observed in the absolute and relative IOp measures for physical health between our actual and counterfactual analyses. We find that IOp in actual outcomes is somewhat lower in magnitude than when the rate of graduation is fixed to the pre-1963 levels, suggesting that IOp in physical health decreased as higher education opportunities actually improved across generations.

The last part of Table 6 (Panel C) shows results for our mental health functioning scores (MCS-12). Unlike physical health, we find that mean and quantiles of the distribution of the predicted MCS-12 scores from our set of circumstances indicate worse mental health (lower MCS-12 scores) in the case of actual as opposed to counterfactual analysis. On the other hand, our IOp analysis suggests that the actual outcomes resulted in lower IOp (both in absolute and relative terms) in mental health functioning compared to freezing graduation rates to pre-1963 levels.

Table 6. Summary statistics and IOp measures based on actual and counterfactual predictions from the wellbeing models

	Actual	Counterfactual
Panel A: Income models		
Mean‡	1894.2	1710.9
q25	1676.0	1532.9
q50	1872.6	1687.8
q75	2059.8	1876.8
q90	2272.0	2056.9
Inequality measures: absolute IOp		
MLD Index‡	0.0105*** (0.0001)	0.0104*** (0.0001)
Inequality measures: relative IOp		
% of the total inequality explained (MLD Index)	6.57	6.52
Panel B: PCS-12		
Mean‡	49.86	48.00
q25	48.74	46.76
q50	49.79	47.90
q75	50.89	49.14
q90	51.74	49.96
Inequality measures: absolute IOp		
Variance‡	2.10*** (0.008)	2.20*** (0.009)
Inequality measures: relative IOp		
% of the total inequality explained (Variance)	1.73%	1.82%
Panel C: MCS-12		
Mean‡	49.99	51.39
q25	49.04	50.26
q50	49.91	51.21
q75	50.78	52.45
q90	51.70	53.10
Inequality measures: absolute IOp		
Variance‡	1.39*** (0.005)	1.70*** (0.006)
Inequality measures: relative IOp		
Variance share (%)	1.50	1.83

Note: Bootstrapped (500 replications) standard errors in parenthesis (were relevant).

‡ Mean predictions and inequality measures differ systematically (at least at the 1% level) between actual and counterfactual cases.

***P-value<0.01.

Contribution of circumstances to IOp

Shapley decomposition analysis is used here to quantify the contribution of each of the circumstances to IOp and to assess the relative role of each of the circumstances in comparison to the counterfactual scenario. In Table 7, Panel A, the Shapley decomposition of the MLD index for IOp in income shows that relative (percentage) contribution of father's occupation is lower for the actual outcomes and is higher for

mother's education and occupation. This indicates that, as university participation expanded across generations, differences in mother's socioeconomic status became more relevant, while the socioeconomic status of the father became less important (although still the dominant source) for explaining IOp in income.

Shapley decomposition results for the physical health functioning score (Table 7, Panel B) show a higher relative contribution of father's education and a lower contribution of mother's education in the actual outcomes compared to the counterfactual. On the other hand, there are different patterns in the relative contribution of our circumstance variables between the actual and counterfactual analysis for IOp in the mental health functioning score (MCS-12, Table 7, Panel C). Specifically, the relative contribution of ethnicity, mother's and father's education is smaller for the actual outcomes. However, the relative contribution of father's occupation is 13% for the counterfactual and 53% for the actual outcomes.

Table 7. Shapley decomposition of IOp measures for actual and counterfactual predictions

	Actual % contribution	Counterfactual % contribution
<i>Panel A: Income models</i>		
MLD-Index		
Gender	0.22%	0.42%
Ethnicity	0.22%	0.57%
Mother education	16.30%	11.82%
Father education	30.60%	28.88%
Mother occupation	14.84%	7.93%
Father occupation	37.81%	50.37%
Total	100.0%	100.0%
<i>Panel B: PCS-12</i>		
Variance		
Gender	0.06%	0.24%
Ethnicity	0.11%	0.71%
Mother education	9.35%	21.67%
Father education	43.64%	18.07%
Mother occupation	4.03%	2.23%
Father occupation	42.80%	57.07%
Total	100.0%	100.0%
<i>Panel C: MCS-12</i>		
Variance		
Gender	14.65%	14.22%
Ethnicity	23.75%	47.72%
Mother education	3.59%	10.51%
Father education	4.23%	13.16%
Mother occupation	0.90%	1.43%
Father occupation	52.88%	12.96%
Total	100.0%	100.0%

5. Conclusions

Education plays a central role in human development and reforms to educational systems have been considered as one of the most significant social transformations of the second half of the 20th Century (Shavit et al., 2007). Education, especially access to university, is also considered as a powerful tool to promote social mobility and reduce the gap in later life attainments between individuals from different socioeconomic backgrounds. In this paper, using nine waves of data from the longitudinal survey *Understanding Society* (UKHLS), we study the university expansion in the UK since the landmark Robbins Report in 1963 and its consequences for inequalities and wellbeing across generations for three outcomes: household income, physical and mental health functioning. Using longitudinal models, with age and birth-year fixed effects, we estimate the role of the role of pre-determined circumstances for later life outcomes net of potential confounding by lifecycle and birth-cohort effects. Using entropy balancing weights, we assess the contribution of university expansion to overall wellbeing and inequality of opportunity (IOp) by comparing analysis using the actual data and counterfactual projections. Shapley decomposition quantifies the contribution of each of the circumstances to IOp and assesses how the relative role of each of the circumstances has changed as society has evolved in comparison to the counterfactual scenario.

Our analysis leads to several findings that make a contribution to the IOp literature in which the set of opportunities are usually considered as fixed, there is a scarcity of studies that look at the evolution of IOp across generations and at how IOp varies when the set of opportunities changes as society evolves, i.e. by means of a large-scale policy reform such as the university expansion. We find that university expansion triggered a large increase in the proportion of graduates in the UK. Compared to the counterfactual scenario, we find an increase of around the 180% in the proportion of graduates in our youngest birth cohort (1980 birth cohort). At the same time, we find that while this holds irrespective of the individual's parental background, our results show that the increase in the likelihood of holding a degree as a result of the Robbins reform is more pronounced in absolute terms for those having parents with a higher socioeconomic background; providing further evidence of the persistent socioeconomic gradient in participation in higher education (e.g., Blanden and Machin, 2004; Machin and Vignoles, 2004; Chowdry et al., 2013; Crawford et al., 2016).

Comparison of the actual and counterfactual projections reveals a difference in household income of around £224 for the youngest birth cohort (1980), which is equivalent to 20% of the standard deviation of average income across waves and generations. We also find positive and significant differences for physical health (equivalent to a 6% change in average physical health) and a negative but non-significant difference for mental health.

However, we find that IOp does not differ substantially between actual and counterfactual scenarios for household income, while we observe a small reduction in IOp in both physical and mental health functioning. This indicates that university

expansion has barely affected IOp in income, since the absolute increase in university graduates has been more concentrated among individuals with more advantaged socioeconomic backgrounds (e.g., Blanden and Machin, 2004; Machin and Vignoles, 2004; Chowdry et al., 2013; Crawford et al., 2016). Shapley decomposition analysis reveals differences in the relative role of our set of circumstances. For example, we find that the socioeconomic status of the father is the dominant source of IOp in income, however, as university participation expanded across generations, differences in mother’s socioeconomic status became increasingly relevant (although father background remained the dominant source).

Our findings are broadly consistent with a recent study by Heckman and Landersø (2021) that compares educational inequalities in the US with the generous Danish welfare model. A striking finding of their analysis is that while welfare policies have diverged during the latest decades, with educational reforms in Denmark such as the substantial expansion of lower secondary schooling, equal access to public services, and no tuition costs for education, the two countries have converged in terms of educational levels. The main reason behind this result is that, despite equalized access to education policies, more advantaged families are better able to access and utilize educational programmes. Interestingly, while Heckman and Landersø (2021) compare inequalities across two countries with different welfare models, our analysis leads to similar conclusions using a counterfactual scenario built on the pre-reform distribution of graduation rates and circumstances in the UK. An important policy-relevant point is then how it is possible to increase participation across individuals from less advantaged socioeconomic background.

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Appendix

Table A1. Description and mean values of variables used in the analysis

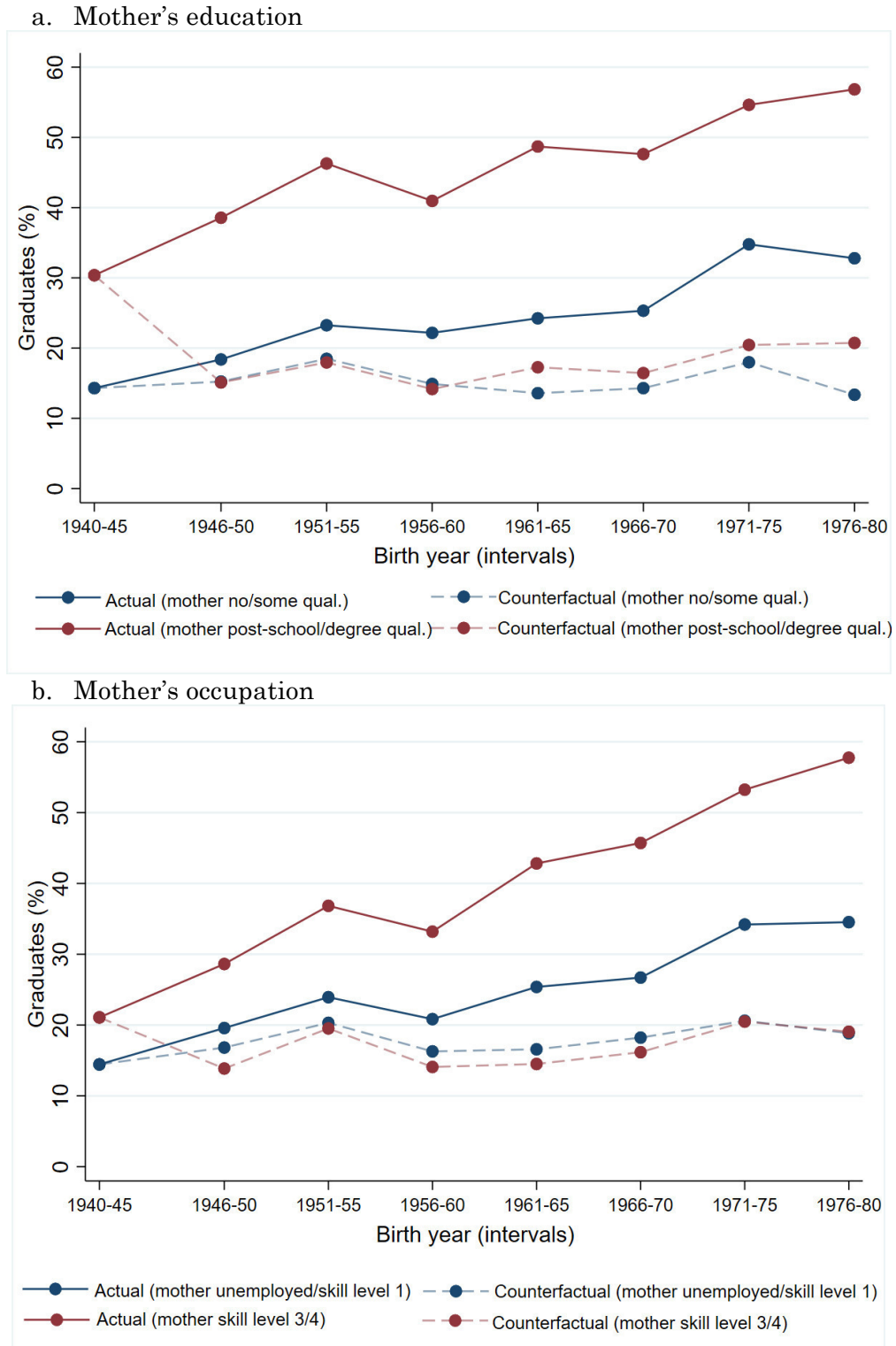
	Mean
Household income (equivalised and deflated)	1894.2
PCS-12	49.9
MCS-12	50.0
Age (in years)	52.3
University Degree	
Degree	0.29
No degree (reference)	0.71
Gender	
Male	0.43
Female (reference)	0.57
Ethnicity	
White	0.98
Non-white (reference)	0.02
Mother's occupation	
1 (Low-skilled) or unemployed (reference)	0.53
2	0.29
3	0.08
4(high-skilled)	0.10
Father's occupation	
1(low-skilled) or unemployed (reference)	0.14
2	0.26
3	0.43
4(high-skilled)	0.17
Mother's education	
No qualification (reference)	0.48
Some qualification	0.31
Post school quals/certs	0.16
University/higher education degree	0.05
Father's education	
No qualification (reference)	0.45
Some qualification	0.20
Post school quals or certs	0.27
University/higher education degree	0.08
Sample size	99,409

Table A2. Summary statistics for holding a university degree and for our circumstance variables: using entropy balancing weights and unweighted analysis.

Variables	Using entropy balancing weights	Unweighted
	Mean	Mean
University degree		
Degree	0.158	0.287
Non-degree	0.841	0.712
Gender		
Male	0.472	0.430
Female	0.528	0.570
Ethnicity		
White	0.990	0.980
Non-white	0.010	0.020
Mother's education		
No qualification	0.650	0.484
Some qualification	0.221	0.309
Post school quals/certs	0.108	0.159
University/higher education degree	0.022	0.047
Father's education		
No qualification	0.567	0.449
Some qualification	0.155	0.201
Post school quals/certs	0.232	0.268
University/higher education degree	0.046	0.083
Mother's occupation		
Unemployed/skill level 1	0.634	0.532
Skill level 2	0.232	0.290
Skill level 3	0.084	0.083
Skill level 4 (high-skilled)	0.050	0.095
Father's occupation		
Unemployed/skill level 1	0.154	0.144
Skill level 2	0.283	0.257
Skill level 3	0.441	0.426
Skill level 4 (high-skilled)	0.123	0.172

Notes: UKHLS waves 1-9. Details on the working sample are available in the data sub-section.

Figure A1. Actual and counterfactual university graduation rates (%) by birth cohort: analysis by mother's education and occupation



Notes: UKHLS waves 1-9. Details on the working sample are available in the data subsection. The predicted proportion of graduates is based on linear probability models of the probability of holding a degree on birth cohorts separately by mother education and occupation categories for the case of actual and counterfactual analysis.