

# Dictatorship, Higher Education and Social Mobility

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## Political regimes and redistribution: The role of higher education

- Prominent theories of regime change focus on inequality and redistribution (Boix, 2003; Acemoglu and Robinson, 2006)
  - But the empirical evidence remains inconclusive (Acemoglu et al., 2015)
- **Universities** are important contributors to social mobility (*the great equalizer*), but also a major source of political mobilization
- Dictatorship  $\Rightarrow$   $\downarrow$  higher education  $\Rightarrow$   $\downarrow$  social mobility?
  - Trade-off between political threat and economic loss (Bourguignon and Verdier, 2000; Cantoni and Yuchtman, 2013)
  - Reduced educational opportunities could cause a political backlash

## We study higher education policy in Chile's Pinochet dictatorship

- What changes did Chilean universities experience after the 1973 coup that overthrew Salvador Allende?
- What were the socioeconomic consequences of changes to higher education under Pinochet? Persistence?
- Did educational policy affect political behavior in the pivotal 1988 plebiscite that triggered the democratic transition?

## Higher education was expanding rapidly before the military coup

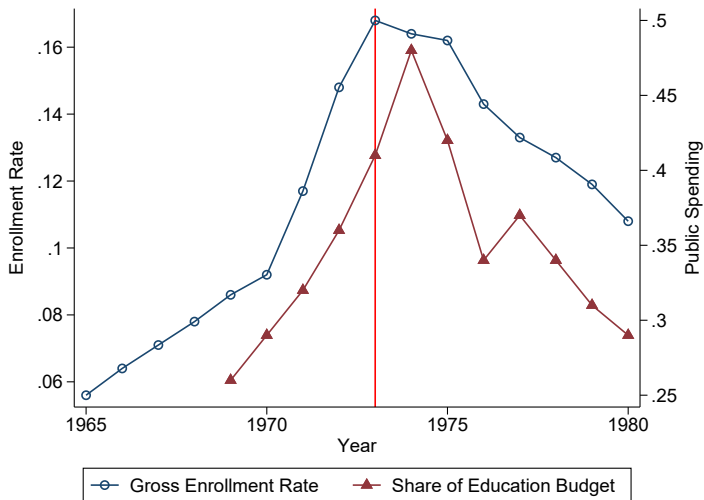
- Eight universities in the country, two are public, but all are largely reliant on public funding (77% of total revenue in 1972)
- Large expansion in enrollment under Christian Democrat and Socialist governments (1964-73):
  - 25,000 students in 1960, 77,000 in 1970, 146,000 in 1973

## Policy goals under Pinochet: political control and fiscal conservatism

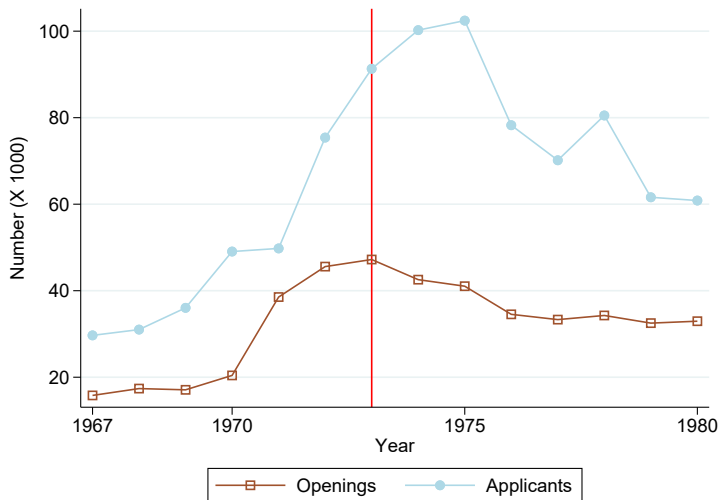
- Military rectors immediately appointed to all universities (“centers for Marxist indoctrination”), leading to an initial wave of repression
- But policy soon begins to be influenced by the *Chicago Boys* and their technocratic concern over the size of government

*“the regime’s penchant for political control meshed conveniently with its penchant for economic conservatism”* (Levy, 1986, p.105)

## Fall in transfers (w/o higher tuition) forces universities to downscale



## Fall in enrollment driven by fewer openings (i.e. supply-driven)



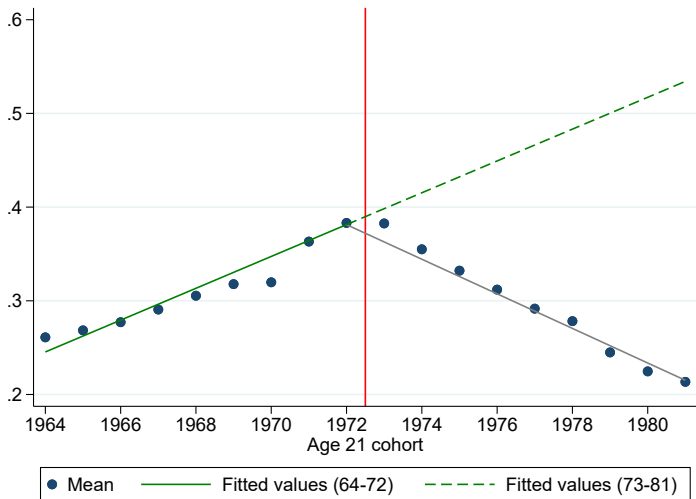
Applicants with lower test scores (lower SES) are the ones most affected

## Did the contraction of higher education hinder social mobility?

- We look for changes in cohort-levels trends based on exposure to diminished access to college, in the spirit of Regression Kink Design
  - Age of college enrollment not easily manipulated
- We use individual-level data from censuses ('92, '02, '17) and 13 waves of a large household survey (CASN) between 1990 and 2017

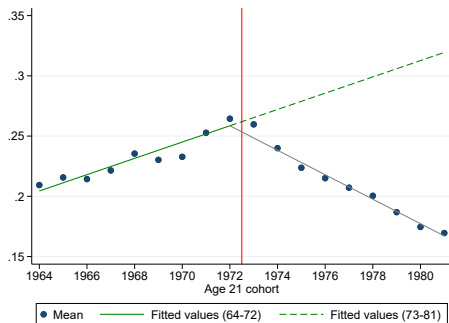


## Cohorts reaching college age after coup show sharp kink in enrollment

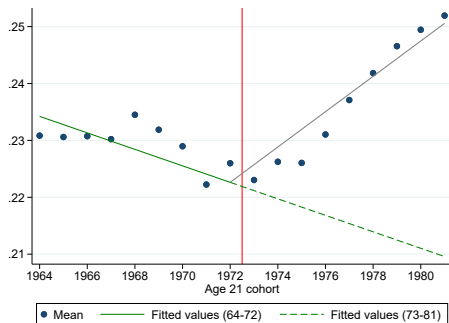


- Sample: 1992 census respondents with 4+ years of secondary

## Occupations reveal a dramatic change in life circumstances



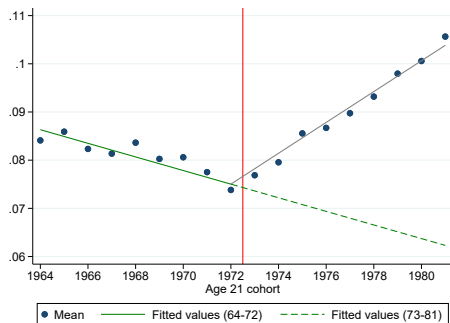
(a) Professionals



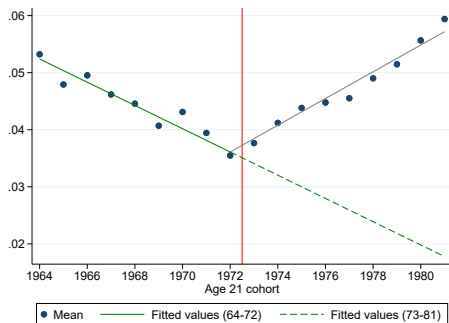
(b) Clerks

- Sample: 1992 census

## Occupations reveal a dramatic change in life circumstances



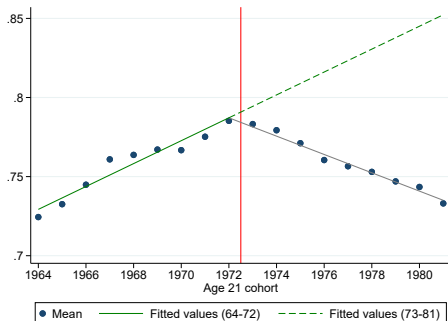
(a) Service workers/sales



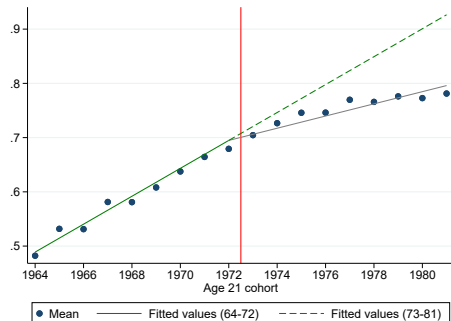
(b) Elementary occupations

- Sample: 1992 census

## Labor force participation kinks downwards for affected cohorts

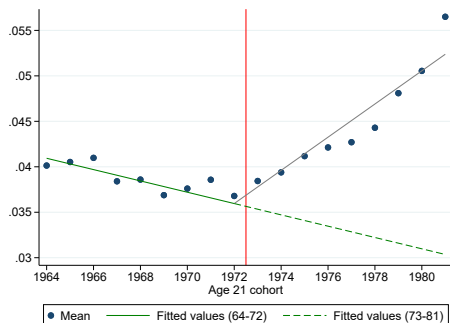


(a) 1992 census

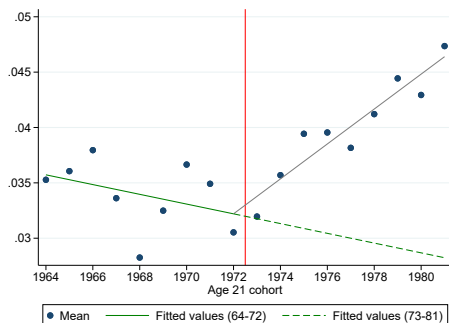


(b) CASEN 1990-2017

## Unemployment rate exhibits upward kink for the affected cohorts

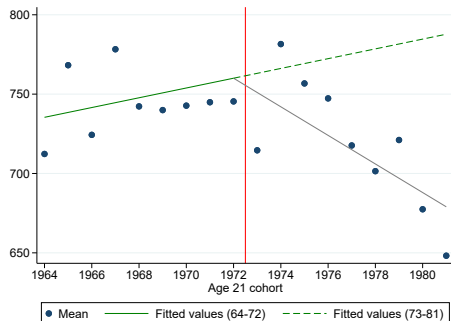


(a) 1992 census

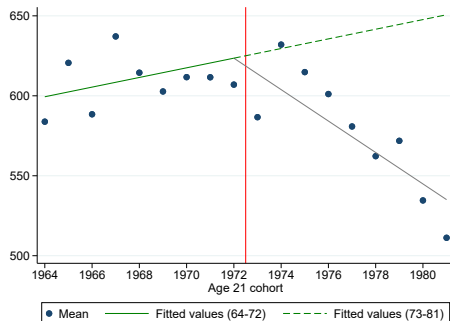


(b) CASEN 1990-2017

## Reported income kinks downwards for affected cohorts (CASEN)

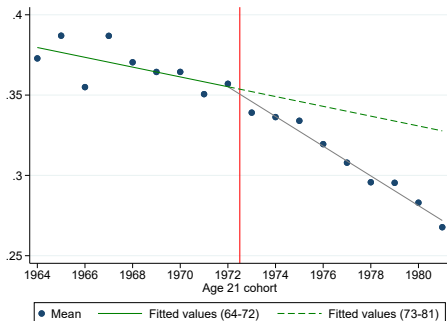


(a) Self-generated

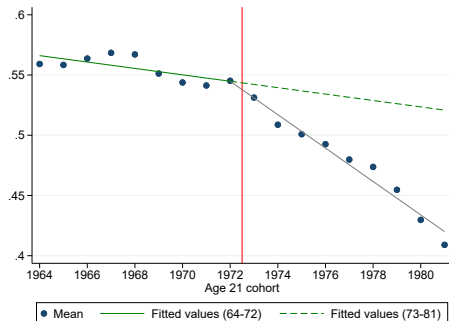


(b) Total

# Kinks in probability of being in top quintile of wealth or income

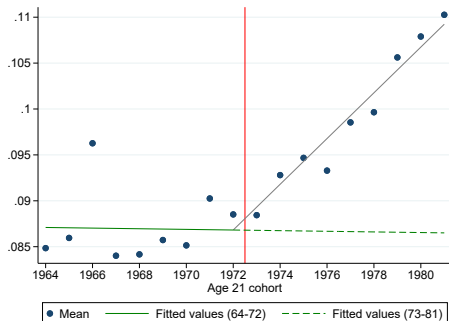


(a) Income (CASEN)

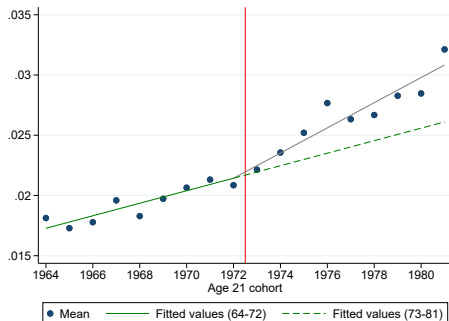


(b) Wealth ('92 Census)

## Kinks in probability of being in bottom quintile of wealth or income



(a) Income (CASEN)



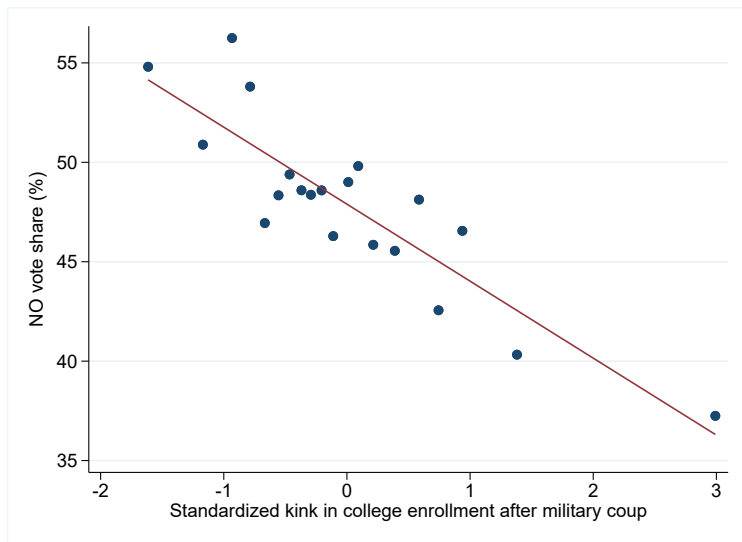
(b) Wealth ('92 Census)



## Did Educational contraction affect the outcome of the 1988 plebiscite?

- Voters decide whether to grant Pinochet eight more years in power (SI) or to have open presidential elections (NO), latter wins with 55%
- We combine county-level plebiscite results with county-specific estimates of the kink in college enrollment

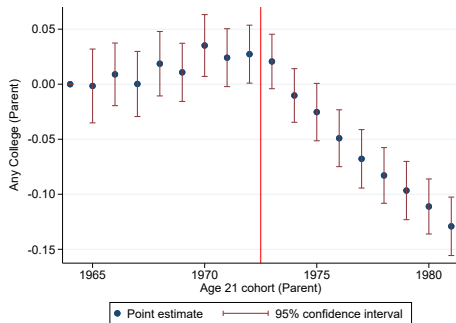
Larger ↓ kink in college enrollment associated with higher NO vote



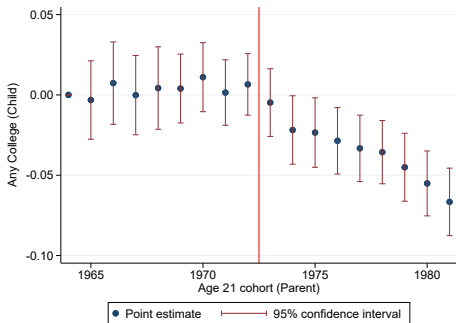
## Is the drop in college enrollment transmitted to the next generation?

- We know relationship to household head for each individual in 2017 census
- Parent-child links: head + children (90%), parent + head (5%)
- Baseline sample includes children with ages 25-40 (robust to others)

# Downward kink in college enrollment for children w/ affected parent



(a) Parents



(b) Children

- Sample: 2017 census

## Regime change affects educational policy and distributional outcomes

- Military regime had a large impact on the functioning and size of the higher education system in Chile
- These changes had sizable and long-lasting socioeconomic effects and they hindered social mobility for an entire generation
- Diminished educational opportunities negatively affected support for the regime when a democratic window of opportunity arose