

# Institutional Setups That Promote Student Achievement

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The institutional setup of school systems – in particular accountability, autonomy, choice, and tracking – has important effects on the learning outcomes of students. Countries should develop their national institutional reform strategies based on their current contexts and goals.

Recently, EU Member States have placed much political attention on improving achievement in basic skills such as reading, math, and science. The idea behind this is that the acquisition of basic skills is a gateway to further learning, employment, and social inclusion, and ultimately to the future economic prosperity of the EU (EENEE Policy Brief 1/2011).

## NATIONAL APPROACHES TO BASIC SKILLS

Although this attention is usually accompanied by significant spending programs, progress remains slow and uneven. Large uncertainty remains about which policies are effective. The evidence for standard resource policies like class-size reductions is actually quite weak (EENEE Policy Brief 2/2011).

By contrast, evidence suggests that the institutional setup of school systems is decisive for learning outcomes. Institutions are the rules and regulations that explicitly or implicitly set rewards or penalties for the people involved in the education process. They generate incentives for principals, teachers, and students to promote learning. Research highlights four important dimensions: accountability, autonomy, choice, and tracking.

As outlined below, some of these institutions are important for achievement levels whereas others for equality (see Figure). The importance

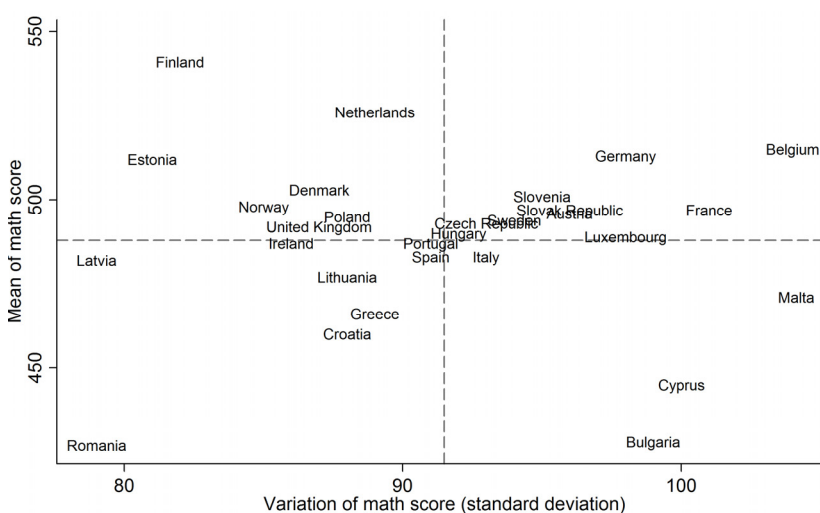
of specific institutional reforms also depends on the social and economic context and on institutional settings already in place.

The importance of institutions is particularly visible in the evidence from international achievement tests that analyze the institutional differences existent across countries. But succinct evaluations of national institutional reforms confirm the basic conclusions. Both approaches are briefly summarized here.

## ACCOUNTABILITY

Accountability systems use standardized testing to identify and reward good achievement. For example, external exit exams provide performance information

**Level and variation of student achievement in PISA 2009**



Own depiction based on PISA 2009 data for EU countries (Malta, Cyprus: TIMSS 2007 data transformed to PISA scale). Source: see reference below.

that can hold both students and schools accountable. International evidence shows that students in school systems with external exit exams indeed consistently reach higher achievement than students in systems without them. This evidence also suggests that skill outcomes are positively associated with other school-level accountability mechanisms such as internal and external monitoring of lessons and use of assessments to compare schools to the district or nation.

A specific national example comes from Germany, where several states introduced external exit exams over the past decade. Recent evidence suggests that this had positive effects on students' basic skills.

## AUTONOMY

Schools with decision-making autonomy can make better use of local knowledge. But this may be counteracted by local opportunism and lack of local decision-making capacity, in particular in contexts of limited accountability and standardization.

Recent cross-country evidence suggests that giving decision rights to schools – particularly on academic content but also on personnel – is indeed beneficial in well-developed systems. By contrast, less-developed countries benefit from centralized standardization. Introducing autonomy is also more beneficial to student learning when external exit exams hold agents accountable for outcomes. Accountability thus seems a pre-requisite for successful autonomy reforms.

As a national example, a 1988 British reform which has been thoroughly evaluated allowed schools to become autonomous under central funding (and external exams). The evaluation revealed dramatic gains in achievement in schools that became autonomous.

## CHOICE AND COMPETITION

Parents have the strongest interest in their children's learning. Providing them with choice among different schools will create incentives for schools to offer best quality. Even if choice among public schools is limited, privately managed schools can provide alternatives when accessible to all students. Resulting competition among schools can lead to improved outcomes. Even if poor families were less likely to exert their freedom

of choice, they could benefit from higher achievement due to increased competition.

Student outcomes are indeed substantially higher in countries with larger shares of privately managed, but publicly funded schools. The distinction between management and funding is crucial: Obviously, private schools can hurt equity if they charge high fees. But existing evidence suggests that, if combined with public funding, private management can be conducive notably for disadvantaged students, whose choices may be particularly in systems that restrict public money to publicly managed schools.

Even though there may be counter-examples, a national example in line with this general pattern is the Netherlands, where parents are generally free to choose whatever school they wish for their children. At the same time, the constitution requires that all schools receive public funding regardless of their management. Evidence suggests that the resulting competition is one determinant of the high student achievement in the Netherlands.

## EARLY TRACKING

Countries care not only about the level, but also about the equity of outcomes. Apart from well-developed systems of early childhood education ([EENEE Policy Brief 1/2012](#)), research highlights early school tracking as an institutional feature relevant for equity.

Cross-country evidence suggests that tracking children into different school types at an early age is associated with increased inequality and stronger dependence on family backgrounds – without advantages in the overall level of acquired skills.

A well-studied national example is the 1970s Finnish reform which replaced a two-track school system by a uniform nine-year comprehensive school, postponing tracking from age 11 to 16. Recent evaluations show that the reform raised the basic skills of students with low-educated parents and increased the income mobility between generations.

Overall, institutional reforms thus stand a good chance of promoting the level and equity of basic skills. Each country should develop its institutional skill policy based on its specific national context and goals.

More details: Susanne Link, *Developing key skills: What can we learn from various national approaches?* EENEE Analytical Report No. 14, November 2012, [http://www.eenee.de/dms/EENEE/Analytical\\_Reports/EENEE\\_AR14.pdf](http://www.eenee.de/dms/EENEE/Analytical_Reports/EENEE_AR14.pdf).

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