OECD

PISA IN FOCUS 42

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When is competition between schools beneficial?

- In most school systems, over 50% of 15-year-olds students attend schools that compete with another school to attract students from the same residential area.
- Across countries and economies, performance is unrelated to whether or not schools have to compete for students.
- When choosing a school for their children, parents look at a range of criteria; for disadvantaged parents, cost-related factors often weigh as much as, if not more than, the factors related to the quality of instruction.
- School systems with low levels of competition among schools often have high levels of social inclusion, meaning that students from diverse social backgrounds attend the same schools. In contrast, in systems where parents can choose schools, and schools compete for enrolment, schools are often more socially segregated.

In some school systems, education authorities assign students to their neighbourhood school, with little room for families to opt for a different school. In other systems, schools located within a given area have to compete with each other to attract or retain students – and the additional resources that each student brings to the school.

The relationship between school choice and student performance is weak.

Since the early 1980s, reforms in many countries have tried to give parents a greater choice of schools for their children in order to increase school competition, in the belief that competition would create incentives for schools to raise the quality of the education they provide. More recently, however, some countries have promoted policies that, instead, reduce school choice, sometimes intentionally, as in the French Community of Belgium, where education authorities were given greater responsibility for assigning students to schools, and other times unintentionally, as in Italy, where neighbouring public schools have been merged in order to increase their size and reduce costs.

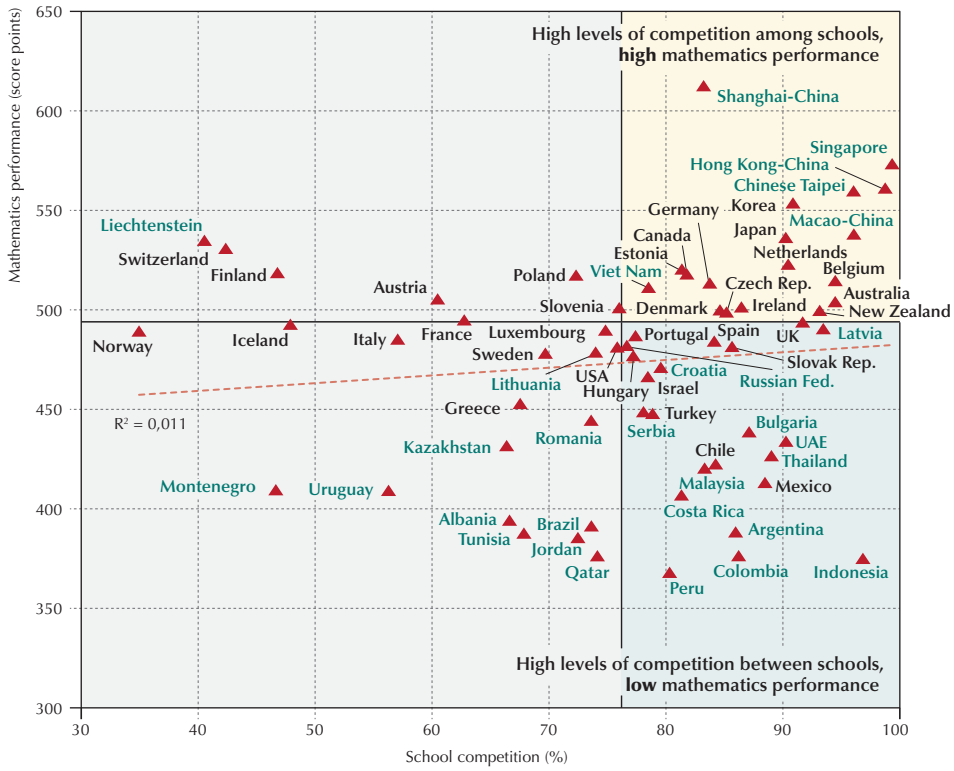
PISA IN FOCUS

The latest PISA results show that, on average across countries, school competition is not related to better mathematics performance among students. In systems where almost all 15-year-olds attend schools that compete for enrolment, average performance is similar to that in systems where school competition is the exception. Within school systems, there is no performance difference between schools that compete with other schools for students and those that do not, after taking into account students' socio-economic status.

When parents decide on a school for their child, quality of instruction is one of a number of factors considered.

The putative benefits of competition crucially depend on the assumption that parents can make informed choices about the best school for their children. To understand how school choice works in practice, PISA directly asked parents to rate the importance of different criteria for choosing a school for their children, from "not important at all" to "very important". Among the list of 11 possible criteria given to parents, one is directly related to the quality of teaching and learning ("The academic achievements of students in the school are high"), but only a minority of parents rated this as "very important" (except in Korea, where 50% of parents did so). If parents do not prioritise high academic achievement in choosing a school, it is not surprising that school competition for attracting students is not strongly associated with performance.

School competition and mathematics performance



Note: School competition refers to the percentage of students in schools whose principal reported that one or more schools compete for students in the same residential area.

1. A non-significant relationship ($p > 0.10$) is shown by the dotted line.

Source: OECD, PISA 2012 Database, Table IV.1.4.

StatLink http://dx.doi.org/10.1787/888932957403

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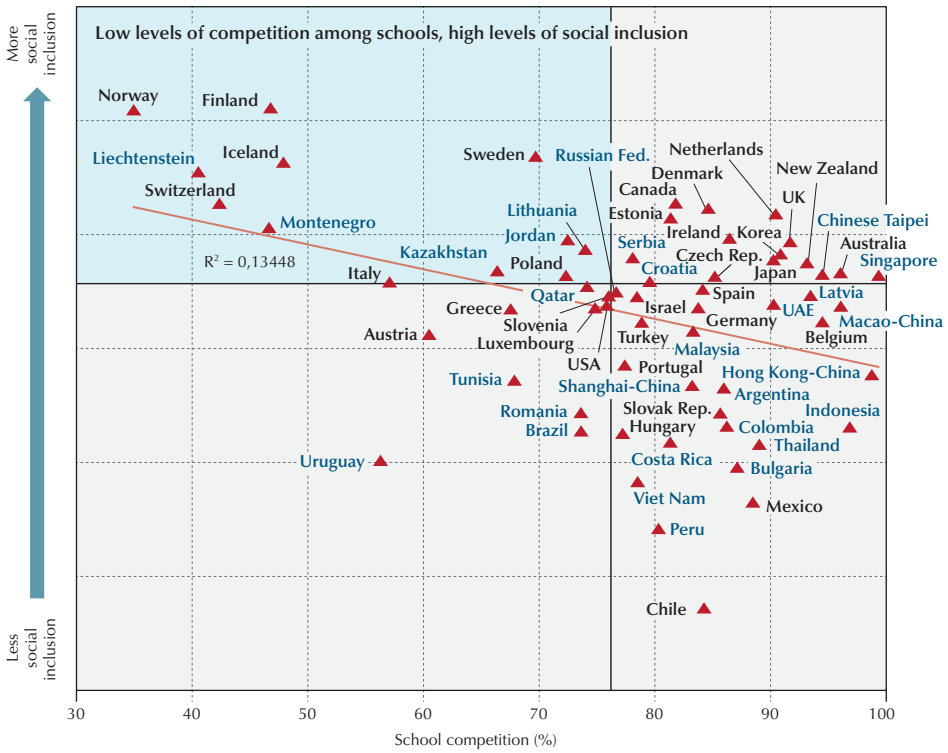
Competition among schools is related to greater socio-economic segregation among students.

An analysis of parents' answers can shed light on why levels of social inclusion are higher in school systems where schools do not compete for students than in systems where families can choose where to send their children to school. High levels of social inclusion mean that within each school, there are as many advantaged and disadvantaged students as one would expect if admission to school was not related to social status.

Three of the criteria for school choice listed in the parent questionnaire are related to direct or indirect monetary costs ("the school is a short distance from home"; "expenses are low"; "the school has financial aid available").

For more affluent parents, these cost-related factors weigh less than the quality of instruction in their choice of schools, as shown by the proportion of parents who rate the different criteria as "very important". But in 10 out of the 11 countries and economies that distributed the parent questionnaire, socio-economically disadvantaged parents tend to choose their children's school as much on the basis of cost-related factors as on the quality of instruction. These data therefore suggest that parents of different socio-economic status do not seek the same information about schools before choosing one; and even if they have information about the quality of instruction, it may not be the deciding factor.

School competition and social inclusion



Note: Social inclusion refers to how much socio-economic status varies across students attending the same school. The *index of social inclusion* is computed as the ratio between the within-school variation of the *PISA index of economic, social and cultural status* (ESCS) and its overall variation at the system level (between and within schools). School competition refers to the percentage of students in schools whose principal reported that one or more schools compete for students in the same resdiential area.

1. A significant relationship ($p < 0.10$) is shown by the solid line.

Source: OECD, PISA 2012 Database, Table IV.2.16 and IV.4.4.

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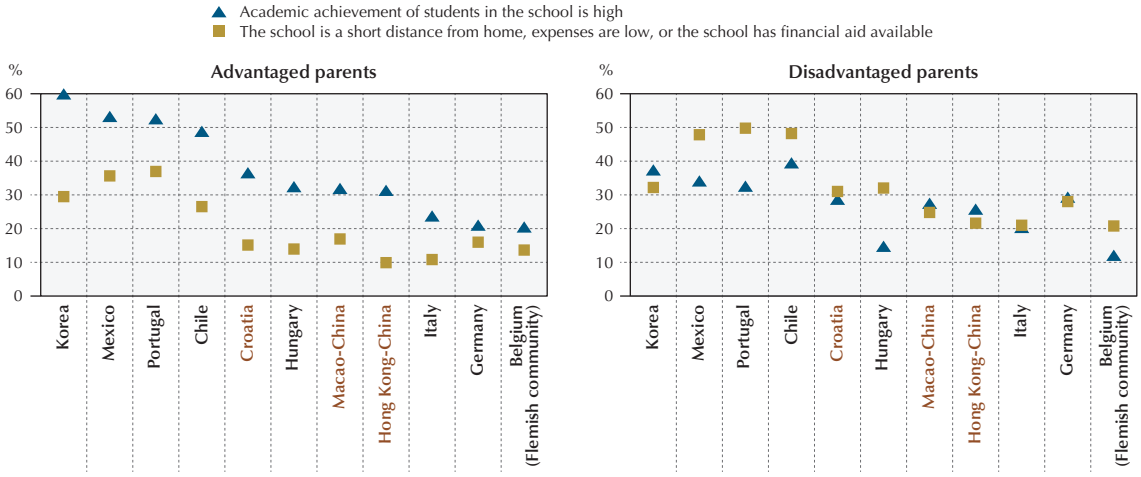
Where parents can choose the school that their children attend, disadvantaged parents can end up choosing the best school among a more limited set of choices than more affluent parents; as a result, the benefits of school choice may not accrue to the same extent to disadvantaged students as to their more advantaged peers. And if affluent families are more likely to opt out of the neighbourhood school than poorer residents of the same area, competition may increase socio-economic segregation in schools.

Criteria parents use to choose a school for their child

Percentage of parents who reported that the following criteria are very important in choosing a school for their child



Advantaged parents refers to those in the top quarter of the *PISA index of economic, social and cultural status*; disadvantaged parents refers to those in the bottom quarter of the *PISA index of economic, social and cultural status*.

Countries and economies are ranked in descending order of the percentage of parents in the top quarter of the PISA index of economic, social and cultural status *who reported that "academic achievement" is very important.*

Source: OECD, PISA 2012 Database, Tables IV.4.10 and IV.4.11.

StatLink http://dx.doi.org/10.1787/888932957498

The bottom line: School competition can involve costs and benefits that may not be equally distributed across students. Some of the intended benefits of competition – greater innovation in education and a better match between students' needs and interests and what schools offer – are not necessarily related to student achievement, and must be weighed against the possible cost in equity and social inclusion.

For more information

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See OECD (2014), *PISA 2012 Results: What Makes Schools Successful? Resources, Policies and Practices* (Volume IV), PISA, OECD Publishing, Paris.

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