

POLICY ANALYSIS

‘Education, Education, Education’: The Evidence on School Standards, Parental Choice and Staying On

- Attainment at school has improved in recent years. But there are concerns about the extent to which this reflects ‘teaching to the test’ and why, despite impressive improvements in primary school attainment in the late 1990s, this has subsequently stalled.
- Education expenditure has risen substantially and is now 5.5% of national income, compared to a rich country average of 5.7%. There is some evidence that links expenditure with improved pupil performance, but the size and nature of the impact of resources on schools outcomes is hotly debated. Costly ‘city academies’, for example, are as yet unproven, but they may be the only way to help deprived inner city children.
- There is much talk about ‘choice’ in education, for example, in the recent schools White Paper, where (in the words of the Secretary of State for Education) ‘freedom for schools and power for parents’ are the key themes. But parental choice is limited (and will continue to be) because state schools discriminate on the basis of residence.
- There is some evidence that the National Literacy and Numeracy Strategies have successfully increased standards, especially for boys.
- The need to reform education for 14-19 year olds is based on the view that too few young people persist in education beyond the age of 16 and they leave schools with a low grasp of basic skills.
- The Education Maintenance Allowance appears to have increased staying on rates for low-income pupils.
- One reason for the high dropout rates may be the lack of good vocational options.

Introduction

The Prime Minister has always said that education is his ‘number one priority’. This policy analysis looks at the Labour government’s record on schools and gives an outline of the policy alternatives. The focus is on educational resources and outcomes; choice; standards; and post-compulsory participation in education.

Is higher public spending on education improving school outcomes?

The government has committed significantly greater resources to education and training. Expenditure on education and training as a percentage of GDP was 4.9% in 1987/88 – and was still at that level in 1997/98. By 2003/04, it had risen to 5.5%, which is a little below the OECD average (5.7% in 2002).

In real terms, public expenditure on education and training increased by 19% during the last two terms of the Conservative government (1987/88 to 1996/97) whereas it has increased by 36% over the first two terms of the Labour government (1996/97 to 2003/04).

The spending has had an effect: the number of teachers increased by 12,300 between 2001 and 2004. And class sizes have fallen: currently, 88% of primary pupils are taught in a class of no more than 30 pupils, compared with 72% in 1997.

School outcomes have shown some improvement: attainment at the end of key stage 2 and GCSE has increased markedly over time. In particular, there was a pronounced upward rise in the key stage 2 results in the years immediately following the introduction of the National Literacy and Numeracy Strategies in September 1998 (see Figure 1). In the last few years, these improvements seem to have hit a plateau.

The upward trend in attainment does not necessarily mean that the government’s policies are working. Results may improve because teachers get better at teaching what is on the test rather than imparting more ‘real’ knowledge. Even if the increases in attainment were genuine, the relationship between expenditure and performance is hard to disentangle because general school expenditure is linked to the degree of disadvantage in the school.

More convincing evidence comes from studies of interventions such as Excellence in Cities, a policy involving extra resources for schools in disadvantaged areas. Research shows that an extra £120 per pupil expenditure leads to an increase of 1-2% in the number of pupils achieving the target (level 5) in key stage 3 maths.¹

When examining the impact of Excellence in Cities on particular sub-groups, the effect is much more impressive. For example, it has delivered a 2.9 to 4.8 percentage point increase in the number of pupils achieving level 5 or above in key stage 3 maths for the most able pupils in schools with the highest rate of deprivation. This improvement has resulted from a 4.4 percentage point increase in per pupil expenditure in these schools.

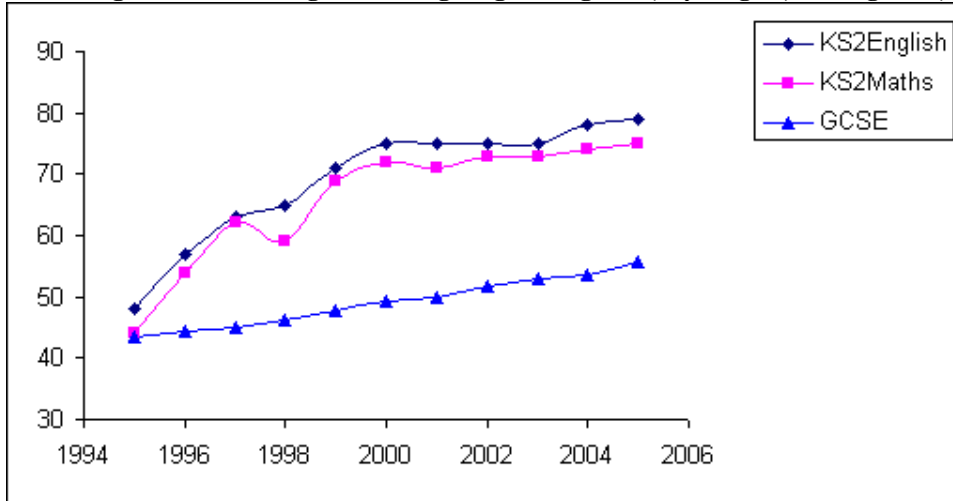
But despite the success of such policies, the change in educational performance in the most disadvantaged local authorities remains stubbornly low.² In addition to Excellence in Cities, the government has focused resources on deprived areas through policies such as ‘city academies’. These are generally newly built (or extensively re-modelled) independent state schools fixed up with state-of-the-art equipment.

¹ Machin, McNally and Meghir (2005).

² Machin, McNally and Rajagopalan (2005).

The policy involves a heavy financial outlay and the involvement of the private sector (which contributes about a fifth of the capital cost and also has a say in how the school is run). Government policy is to create 200 academies by 2010. Although the cost is substantial, radical measures may be the only way to bolster performance among the hardest-to-reach pupils.

Figure 1: Percentage achieving target at age 11 (key stage 2) and age 16 (GCSE)



Source: DfES: the indicators for key stage 2 English and maths show the percentage of students achieving level 4 or above; the indicator for GCSE shows the percentage of students achieving 5 or more A*-C grades.

What are the likely effects of extending parental choice?

‘Choice’ is a buzzword in education. The idea is that greater choice will spur increased competition between schools, which will lead to improvements in efficiency. There may also be benefits from allowing schools greater autonomy to make decisions. The theoretical and empirical evidence for the efficiency effects of greater choice is mixed, but US research is mildly supportive.³

Recent CEP research evaluates whether primary schools in England that face more competition perform better than schools in less competitive situations and whether parents who have more choice of where to send their children actually see gains for their children in terms of academic performance.⁴

This strand of research finds little evidence of a link between choice and achievement, and only a small positive association between competition and school performance (which is not causal). Moreover, there is some evidence of a link between competition and 'stratification' (meaning that pupils of different abilities are less likely to be educated together).

Taken together, these findings suggest that policy that simply offers parents a wider choice of schools and forces schools to compete doesn't seem to be a remedy for poor standards in education and may exacerbate inequalities. On the one hand this doesn't sound encouraging for the policies advocated in the government's education White Paper.⁵ However, choice and competition do seem beneficial to church-primary school pupils, which may suggest that there could be more scope for improvement if

³ See, for example, Hoxby (2000).

⁴ Gibbons, Machin and Silva (2006); and Gibbons and Silva (2005).

⁵ DfES (2005a).

greater choice is coupled with other changes in governance and admissions arrangements

An important part of the 'choice' agenda is the 'specialist schools' policy that was originally introduced by the Conservative government in the mid-1990s, but has since been substantially enlarged. More than two thirds of secondary schools in England now have specialist status. They focus on a particular area – such as arts, languages or sciences – and are given more money per pupil and greater capital expenditure.

The fact that specialist schools appear to outperform other schools in terms of GCSE grades may simply be because (as a condition of changing to specialist status), they have raised significant private sector funding; shown potential to improve; and can select up to 10% of their students on aptitude (though most currently do not). The suspicion is that such 'successful' schools were already on course to make improvements in performance.

Government policy is to give parents the right to a new school where they believe their child's is not good enough. It is not clear to what extent such a policy will reduce the central problem that restricts parental choice: the need to live near a good school. Currently, oversubscribed schools may discriminate on the basis of geographical catchment area. This means that parents who can afford to live near 'good' schools effectively have the first choice in state-provided education.⁶

The schools White Paper will enable schools to have greater autonomy and as part of this, the government encourages schools to consider alternative types of admission policy. For example, 'banding' is one option, where schools admit pupils across a range of abilities. But such changes to admission policy would be purely voluntary. Given the incentives that schools have to perform as well as possible in the performance tables, it seems doubtful that such changes will be implemented on a wide scale.

Are standards improving?

All political parties are committed to improving standards in education in other ways than simply through choice. One key policy has been the National Literacy and Numeracy Strategies, first in primary schools, then for 11-14 year olds. Standards initially soared but then levelled off (as Figure 1 shows).

Careful evaluations of the Literacy Hour pilot schemes show that it was extremely effective in raising standards at low cost.⁷ This is consistent with the National Literacy Strategy having been important in raising the standards of reading and writing among primary school children.

The drive for uniform standards (together with inspections and targets) cuts against another theme of choice, which is 'personalised learning'. One of the ways in which this has been implemented is trying to provide a greater choice of learning styles and content for 14-16 year olds to cater for differing needs and to reduce underachievement resulting from disaffection with the academic curriculum.⁸

14-19 year olds: how can post-compulsory participation rates be raised?

The big challenge is reforming education for the 14-19 age group. The UK has a much higher

⁶ The strong relationship between school performance and house prices has been shown by Gibbons and Machin (2003).

⁷ Machin and McNally (2004).

⁸ Steedman and Stoney (2004) review the evidence on this and conclude that more flexibility has been introduced to the 14-16 curriculum.

dropout rate after 16 than other countries and a large proportion of people with poor basic skills.⁹ One element of the government's strategy has been to offer cash inducements to stay on after 16 through the Education Maintenance Allowance (EMA). This policy was introduced nationally in September 2004 and involves a regular weekly payment to young people from disadvantaged backgrounds as an incentive to remain in post-compulsory education.

An evaluation of the EMA shows the impact of the subsidy to be substantial. – an increase in participation of 4.5 percentage points among those eligible for the EMA (as compared to an education participation rate of 64.7% in the control sample).¹⁰ The research shows that half of these young people would have been inactive in the absence of the programme. What is less clear is how well these EMA students will do when they enter the labour market.

The government proposes an overhaul of vocational education, replacing the current system of 3,500 separate qualifications with diplomas in 14 broad areas.¹¹ The UK has weaker vocational options in upper secondary education compared with other European countries and vocational credentials are poorly rewarded in the labour market.

A general finding in the literature is that there are no wage returns to most low-level vocational qualifications, although this changes for higher-level qualifications.¹² Reasons include a perception that low ability individuals are those who pursue low-level vocational qualifications (they are a negative signal to employers) and lack of knowledge as to what is really learned in many vocational courses. It remains to be seen whether another reform to the system will increase the status of vocational qualifications both with students and employers.

Conclusions

The government has poured large amounts of money into schools, especially in areas of disadvantage. There have been some improvement in outcomes, but the question is whether the money could have been spent more efficiently. Some interventions, such as the Literacy Strategy, are more likely to be cost-effective than others, such as the specialist schools policy.

Both the government and the opposition are committed to increased choice in a hope that this will further drive up standards. For this to work, there must be a genuine possibility of good schools expanding and children from worse neighbourhoods being able to move to better schools. Otherwise, choice may simply become a euphemism for greater inequality.

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⁹ See, for example, Hansen and Vignoles (2005).

¹⁰ Dearden et al (2006).

¹¹ The education and skills White Paper (DfES, 2005b) also includes plans to emphasise the acquisition of functional skills in English and maths at GCSE level. There are also proposals to enable greater differentiation at A-level for the top achievers.

¹² See, for example, Steedman and West (2003) and McIntosh (2004).

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