



Report Cards Bring Accountability to Schools

The Impact of Providing School and Child Test Scores on Educational Markets

Report cards are simple, yet powerful. They:

- Resulted in **42% higher test scores**
- Increased enrollment by **40 extra unschooled children** per village
- Made schools **more affordable** (17% drop in school fees)
- Improved school quality in **both private and public schools**

Information Asymmetries

In Pakistan, the number of private schools increased over tenfold from 1983 to 2005, and now account for 40% of all primary school enrollment throughout the country. However, despite the broadened network of schools, parents typically lack adequate information to compare schools, and schools take advantage of this. Higher quality schools mark up their tuition fees more than what they are worth, and lower quality schools are able to hide their underperformance.

This study tests one possible solution to this information mismatch: give parents report cards that not only reflect their child's performance, but also rank the performance of their child's school relative to all the other schools in their village. To conduct this study, we randomly selected 112 villages throughout three districts in Punjab, Pakistan's largest province. Each village contained on average 4.4 public schools and 2.9 private schools, and all children were tested on basic English, mathematics, and

Urdu skills. We then provided parents in half of these villages with report cards displaying both their child's test scores and their child's school rank within the village. In control villages, parents did not receive any information.

Report Cards Improve School Quality

Our study found that test scores in report-card villages increased 42% (0.11 standard deviations) compared to control villages. Our study also showed that after receiving report cards, parents more accurately judged school quality and attended more parent-teacher meetings. These two findings together paint a picture of increased parental engagement and power in the local school system. It appears that these report cards gave parents access to information previously unavailable to them about how their children's schools compared to others in their village. Armed with this knowledge, parents were able to make more informed decisions about where they wanted to send their children to school. We believe that the threat of parents

Test Scores Improved



Overall test scores increased by 42% (.11 standard deviations) more in treatment villages than in control villages.

Fees Dropped



Fees for private schooling declined by 17% in treatment villages.

Enrollment Increased



In treatment villages, overall enrollment rose by 3 percentage points, an average of 40 more children per village.

Worst Schools Closed



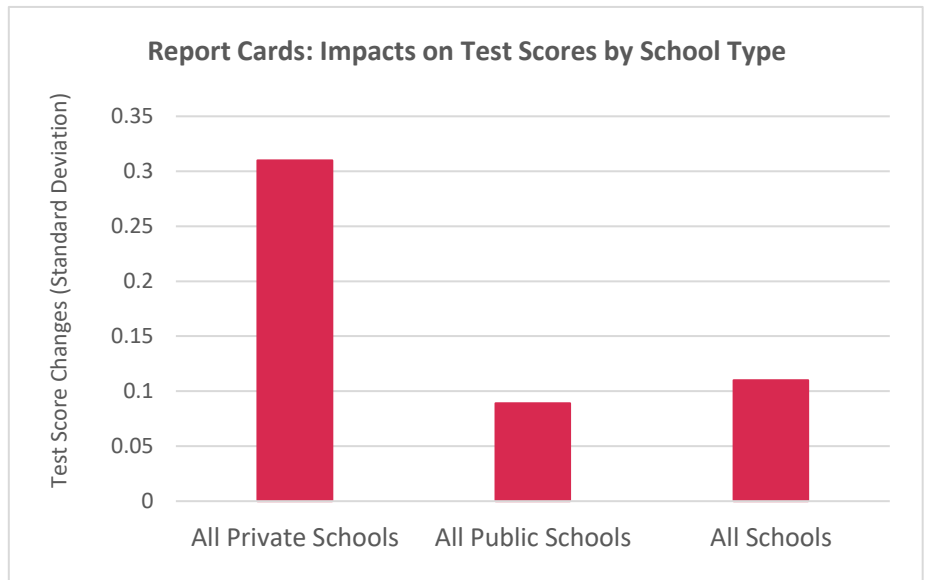
In treatment villages, private schools with the lowest baseline test scores closed due to lack of enrollment.

enrolling them in other schools spurred competition and forced schools to improve. Our study found that schools that had scored low on the original assessments were the primary drivers of these test score improvements, which is consistent with the idea that they were the greatest recipients of parental pressure and complaints. In addition, many of the lowest-performing private schools shut down entirely.

Schools Became More Affordable

Schools also became more affordable. High-quality schools in report-card villages lowered their annual tuition fees by 17%. While it may seem counter-intuitive that lowering fees is a positive reaction by schools, remember that these high-quality schools were initially marking up their prices higher than they were worth. Because the report cards gave parents a more accurate picture of how good each school was, the higher-scoring schools became more accountable to parents and reduced their fees. In cheaper schools,

Providing parents with information about school performance allows them to make informed decisions, and the education marketplace reacts accordingly.



overall enrollment among primary-age children consequently rose by 3 percentage points. It is important to note that this increase was not caused by students shifting between schools, but by roughly 40 previously out-of-school children per village enrolling into school for the first time, possibly because they had never before been able to afford it.

Report Cards Impacted Public Schools Too

Surprisingly, report cards had an effect on public schools as well. Though public schools are free of cost and should not, therefore,

respond to market pressure, we found that test scores as well as investment in teacher qualifications rose in report-card village public schools. Parents, now empowered with credible information about their child's school, put more pressure on schoolteachers in both public and private schools to improve their quality. As a result, public schools heightened their qualification standards for teachers and private schools, which could not afford to pay for higher quality teachers, instead increased their time spent on coursework. Child learning therefore improved in all schools.

How Can Policymakers Effectively Use This Information?

Do report cards really work?

Yes! By equipping parents with unbiased information about schools, report cards empower them to put pressure on schools to boost their quality. This social accountability mechanism also forces schools to charge fees commensurate with their quality.

Are report cards cost-effective way to boost school quality?

The report card intervention, including the testing, printing, and distribution, costs \$1 per child. Since children enrolled in private schools (about one third of all students) save approximately \$3 each due to tuition decreases, the entire improvement in test scores is free if household welfare is included.

How does this intervention compare to other interventions?

Learning gains from the report card intervention are as good as or greater than those of similar interventions—and cheaper too. Increasing enrollment of unschooled children through report cards costs only \$22 per child, which is less than the cost of several other acclaimed programs in developing countries.