Good schools or good students? Evidence on school effects from universal random assignment of students to high schools

Paulo Bastos\textsuperscript{1}, Julian Cristia\textsuperscript{2}, and Beomsoo Kim\textsuperscript{3}

\textsuperscript{1}Development Research Group, World Bank – United States
\textsuperscript{2}Research Department, Inter-American Development Bank – United States
\textsuperscript{3}Department of Economics, Korea University – South Korea

Abstract

How much do schools differ in their effectiveness? Answering this question has been complicated by the selection of heterogeneous students into schools, which has made it difficult to distinguish between the influence of school inputs, student selection and peer effects. We exploit universal random assignment of students to high schools in certain areas of South Korea to provide clean estimates of the influence of school inputs. We find statistically significant differences across schools in the effects they have on scores in college entrance exams. However, school effects explain only 0.5\% of the variation in learning outcomes in areas where students are randomized to schools. These results suggest that school inputs play a limited role in explaining variation in learning outcomes.

Keywords: empirics