

## Central exit exams improve student outcomes

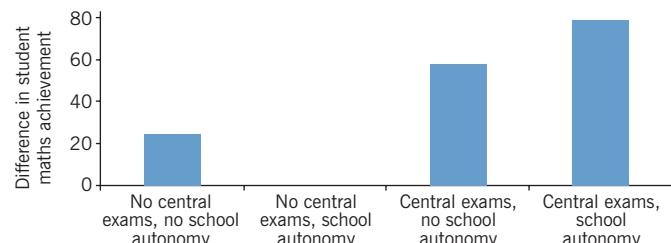
External school leaving exams raise student achievement and improve how grades are understood in the labor market

Keywords: schools, education, exams, accountability, student achievement, earnings

### ELEVATOR PITCH

Reaching the policy goal of improving student achievement by adding resources to the school system has often proven elusive. By contrast, ample evidence indicates that central exit exams constitute an important feature of a school system's institutional framework, which can hold students, teachers, schools, and administrators accountable for student outcomes. While critics point to issues such as teaching test-only skills, which may leave students ill-prepared for the real world, the evidence does not bear this out. Overall, central exams are related to better student achievement, favorable labor market outcomes, and higher economic growth.

Central exit exams are associated with better achievement, particularly in autonomous schools



Note: Difference in TIMSS mathematics achievement measured as a percentage of a standard deviation compared with "No central exams, school autonomy." School autonomy refers to autonomy over teacher salaries.

Source: Author's own compilation based on Woessmann, L. "The effect heterogeneity of central exams: Evidence from TIMSS, TIMSS-Repeat and PISA." *Education Economics* 13:2 (2005): 143–169.

IZA  
 World of Labor

### KEY FINDINGS

#### Pros

- ⊕ Central exams are associated with substantially higher student achievement across national and regional school systems.
- ⊕ Central exams are a requirement for decentralized systems with autonomous schools to achieve high student achievement.
- ⊕ Central exams are related to higher earnings, lower unemployment, and greater informational content of grades in the labor market.
- ⊕ Improved skills stimulated by central exams are related to higher long-term economic growth of countries.

#### Cons

- ⊖ Central exams raise tested curriculum-based skills, but not necessarily other skill dimensions.
- ⊖ Emphasis on higher academic performance in a subject may come at the expense of enjoyment of it.
- ⊖ Mere minimum competency exams or course graduation requirements are not enough to deliver the effects of curriculum-based central exit exam systems.
- ⊖ Many details of how to best implement central exams and which elements are crucial remain poorly understood.

### AUTHOR'S MAIN MESSAGE

Central exams act as an accountability device that reveals the overall outcome of the efforts of students and schools. Central exams can increase external rewards for learning, enhance monitoring of teachers and schools, and decrease peer pressure against learning. They improve the learning outcomes of students and their subsequent labor market performance and raise the understanding of grades—their information value—in the labor market. As such, implementing central exams at the end of secondary school may prove much more effective at improving student outcomes than many other resource-intensive educational initiatives.