

# Do social interactions in the classroom improve academic attainment?

## Student sorting into classes complicates policies that utilize peer effects to optimize educational outcomes

Keywords: education, peer effects, ability grouping, student performance, peer mechanisms

### ELEVATOR PITCH

The role of social interactions in modifying individual behavior is central to many fields of social science. In education, one essential aspect is that “good” peers can potentially improve students’ academic achievement, career choices, or labor market outcomes later in life. Indeed, evidence suggests that good peers are important in raising student attainment, both in compulsory schooling and university. Interventions that change the ability group composition in ways that improve student educational outcomes without exacerbating inequality therefore offer a promising basis for education policies.

### KEY FINDINGS

#### Pros

- + Peer effects are important for student academic achievement throughout all levels of education.
- + Evidence suggests that the impact of peers is different for students of differing abilities.
- + Peer effects are heterogeneous: evidence suggests that low-achieving students benefit most by being placed in a classroom with high-achieving peers.
- + A higher proportion of girls in the classroom raises student attainment for both boys and girls.

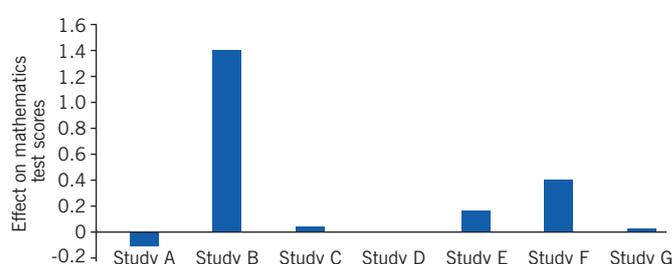
#### Cons

- There is still disagreement among economists about the magnitude and shape (i.e. linear or non-linear) of peer effects.
- It is challenging to isolate peer effects from other factors that affect student attainment, such as family background, teacher quality, or other institutional factors.
- Little is known about the mechanisms through which peer effects work.
- Given the heterogeneous nature of peer effects, it is difficult to design a single optimal policy to raise student attainment.

### AUTHOR’S MAIN MESSAGE

Peer effects in education matter for students’ achievement and, hence, for their success later in life. However, economists still disagree about the magnitude and shape of these effects and there is little evidence about the channels through which they might work. The contrasting nature of some research highlights a clear need for further investigation into these key areas. Nonetheless, interventions that manipulate student group composition in ways that improve the educational outcomes of low-achieving students may offer policy options that can simultaneously enhance welfare and reduce inequality.

Lack of consensus on the size of peer effects



Note: Coefficients show the average impact on test scores for a selected number of studies on primary and secondary school students for a 1 point increase in their peers’ quality (measured by their test score).

Source: [1].