INDICATOR B3

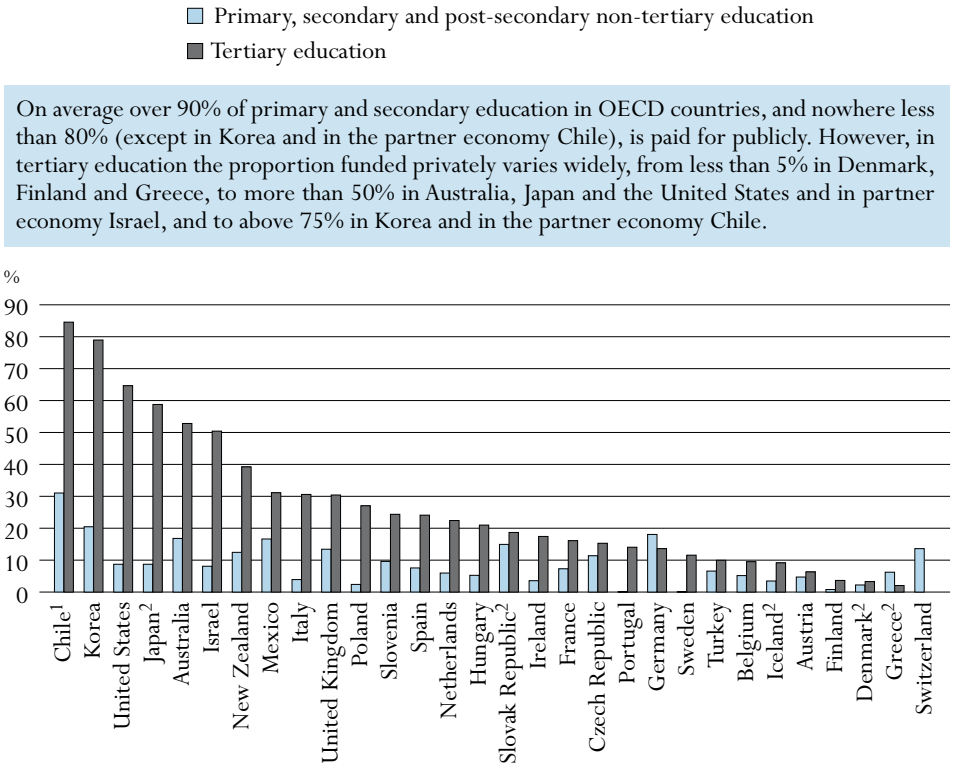
HOW MUCH PUBLIC AND PRIVATE INVESTMENT IS THERE IN EDUCATION?

This indicator examines the proportion of public and private funding allocated to educational institutions for each level of education. It also provides the breakdown of private funding between household expenditure and expenditure from private entities other than households. This indicator sheds some light on the widely debated issue of how the financing of educational institutions should be shared between public entities and private ones, particularly those at the tertiary level.

Key results

Chart B3.1. Share of private expenditure on educational institutions (2004)

The chart shows private spending on educational institutions as a percentage of total spending on educational institutions. This includes all money transferred to such institutions through private sources, including public funding via subsidies to households, private fees for educational services or other private spending (e.g. on accommodation) that passes through the institution.



1. Year of reference 2005.
2. Some levels of education are included with others. Refer to "x" code in Table B1.1b for details.

Countries are ranked in descending order of the share of private expenditure on educational institutions for tertiary education.

Source: OECD. Tables B3.2a and B3.2b. See Annex 3 for notes (*www.oecd.org/edu/eag2007*).

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Other highlights of this indicator

- In all countries for which comparable data are available, for all levels of education combined, public funding increased between 1995 and 2004. However, private spending increased even more in nearly three-quarters of these countries. Nevertheless, in 2004, on average 87% of expenditure, for all levels of education combined, was still from public sources.
- The share of tertiary spending from private sources rose substantially in some countries between 1995 and 2004, but this was not the case at other levels of education.
- On average among the 18 OECD countries for which trend data are available, the share of public funding in tertiary institutions decreased slightly between 1995 and 2000, as well as every year between 2001 and 2004. However in general the increase of private investment has not displaced public financing, but rather complemented it.
- The share of public funding at the tertiary level in OECD countries represents on average 76% in 2004.
- Compared to other levels of education, tertiary institutions and to a lesser extent pre-primary institutions obtain the largest proportions of funds from private sources: respectively, 24 and 20% of funds at these levels come from private sources.
- In tertiary education, households cover the majority of all private expenditure in all countries with available data except Greece, Hungary and Sweden. Private expenditure from other entities than households is still significant, representing 10% or more in Australia, Hungary, Italy, Korea, the Netherlands, Sweden, the United Kingdom and the United States, and the partner economy Israel.

Policy context

Cost-sharing between participants in the education system and society as a whole is an issue under discussion in many OECD countries. This question is especially relevant for pre-primary and tertiary education, where full or nearly full public funding is less common.

As new client groups participate in a wider range of educational programmes and choose among more opportunities from increasing numbers of providers, governments are forging new partnerships to mobilise the necessary resources to pay for education and to share costs and benefits more equitably.

As a result, public funding is more often seen as providing only a part (although a very important part) of investment in education and the role of private sources has become more important. Some stakeholders are concerned that this balance should not become so tilted as to discourage potential students. Thus, changes in a country's public/private funding shares can provide important context for changing patterns and levels of participation within its educational system.

Evidence and explanations

What this indicator does and does not cover

Governments can spend public funds directly on educational institutions or use them to provide subsidies to private entities for the purpose of education. When reporting on the public and private proportions of educational expenditure, it is therefore important to distinguish between the initial sources of funds and the final direct purchasers of educational goods and services.

Initial public spending includes both direct public expenditure on educational institutions and transfers to the private sector. To gauge the level of public expenditure, it is necessary to add together the components showing direct public expenditure on educational institutions and public subsidies for education. Initial private spending includes tuition fees and other student or household payments to educational institutions, less the portion of such payments offset by public subsidies.

The final public and private proportions are the percentages of educational funds spent directly by public and private purchasers of educational services. Final public spending includes direct public purchases of educational resources and payments to educational institutions and other private entities. Final private spending includes tuition fees and other private payments to educational institutions.

Not all spending on instructional goods and services occurs within educational institutions. For example, families may purchase textbooks and materials commercially or seek private tutoring for their children outside educational institutions. At the tertiary level, student living costs and forgone earnings can also account for a significant proportion of the costs of education. All such expenditure outside educational institutions, even if it is publicly subsidised, is excluded from this indicator. Public subsidies for educational expenditure outside institutions are discussed in Indicators B4 and B5.

Public and private expenditure on educational institutions at all levels of education

Educational institutions are still mainly publicly funded, although there is a substantial and growing degree of private funding at the tertiary level of education. On average across OECD countries, 87% of all funds for educational institutions come directly from public sources. In addition, 0.6% is channelled to institutions via public subsidies to households (Table B3.1).

In all the OECD countries for which comparable data are available, private funding represents 13% of all funds on average. This proportion varies widely among countries and only nine OECD countries and three partner economies report a share of private funding above the OECD average. Nevertheless, in Australia, Japan and the United States, as well as in partner economy Israel, private funds constitute around one-quarter of all educational expenditure and exceed 39% in Korea and the partner economy Chile (Table B3.1).

In all countries for which comparable data are available, for all levels of education combined, public funding increased between 1995 and 2004. However, private spending increased even more in nearly three-quarters of these countries. The decrease in the share of public funding was more than 5 percentage points only in Australia and the Slovak Republic. It is notable that decreases in the share of public expenditure in regard to total expenditure on educational institutions and, consequently increases in the share of private expenditure, have not generally gone hand in hand with cuts (in real terms) in public expenditure on education (Table B3.1). In fact, many OECD countries with the highest growth in private spending have also shown the highest increase in public funding of education. This indicates that an increase in private spending tends not to replace public investment but to complement it.

However, the share of private expenditure on education and how this varies among countries depends on the level of education: pre-primary, primary, secondary, post-secondary non-tertiary or tertiary.

Public and private expenditure on educational institutions in pre-primary, primary, secondary and post-secondary non-tertiary education

Investment in early childhood education is of key importance in order to build a strong foundation for lifelong learning and to ensure equitable access to learning opportunities later in school. In pre-primary education, the private share of total payments to educational institutions is more important than for all levels of education combined and represents on average 20%, but this proportion is very uneven between countries, ranging from 5% or less in France, the Netherlands and Sweden, to well over 25% in Australia, Austria, Germany, Iceland and New Zealand and the partner economy Chile, to 50% in Japan, and over 60% in Korea (Table B3.2a). Except in Austria and the Netherlands, the major part of private funding is covered by households.

Public funding dominates the primary, secondary and post-secondary non-tertiary levels of education in OECD countries and partner economies and among OECD countries reaches 92% on average. Nevertheless, the proportions of private funding exceed 10% in Australia, the Czech Republic, Germany, Korea, Mexico, New Zealand, the Slovak Republic, Switzerland and the United Kingdom, and the partner economy Chile (Table B3.2a and Chart B3.2). The importance of public funding may result from the fact that primary, secondary and post-secondary non-tertiary education are usually perceived as a public good with mainly public returns. In most

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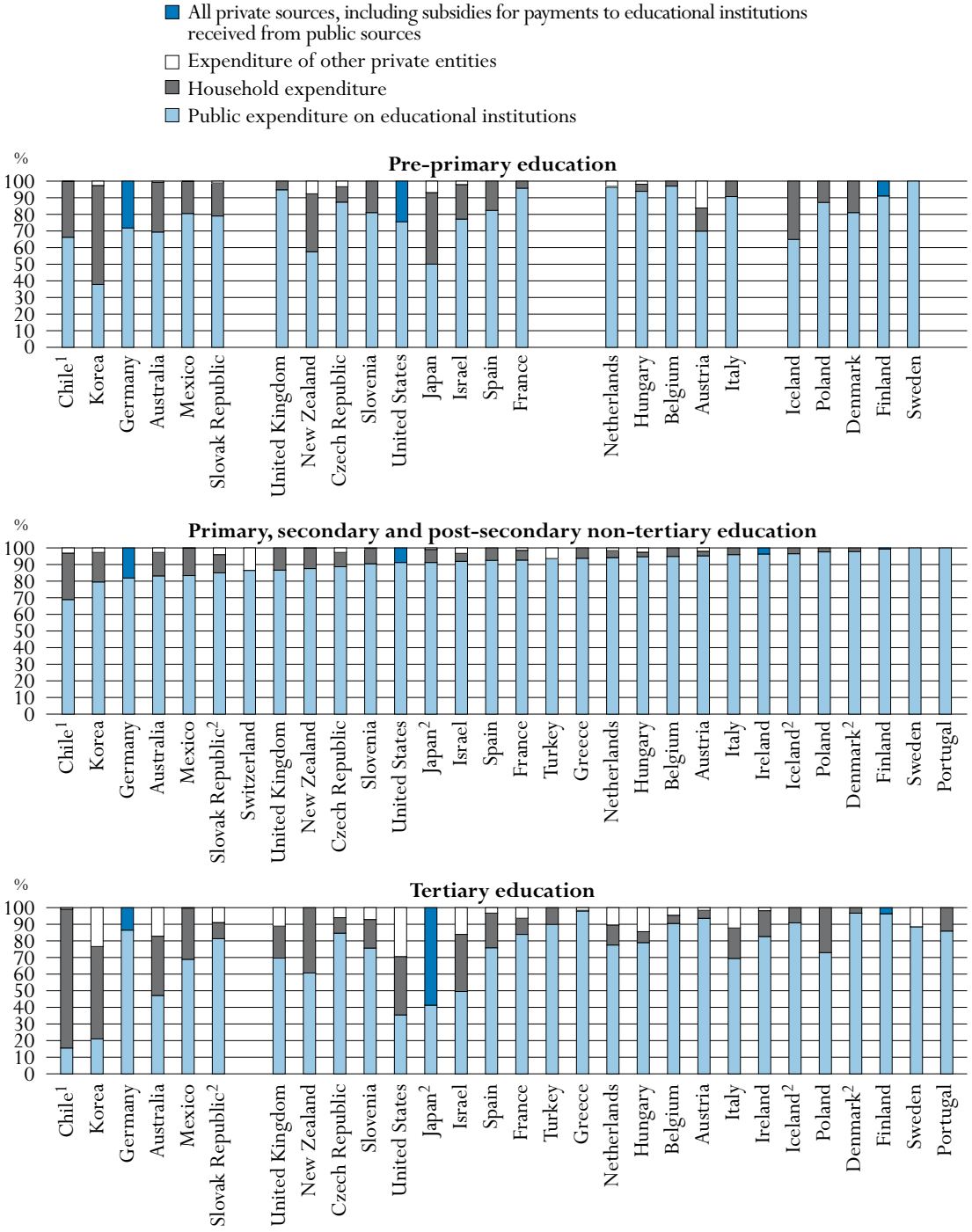
Chart B3.2. Distribution of public and private expenditure on educational institutions (2004)

By level of education



1. Year of reference 2005.
2. Some levels of education are included with others. Refer to "x" code in Table B1.1b for details.

Countries are ranked in ascending order of the share of public expenditure on educational institutions in primary, secondary and post-secondary non-tertiary education.

Source: OECD. Tables B3.2a and B3.2b. See Annex 3 for notes (*www.oecd.org/edu/eag2007*).

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countries, at the primary, secondary and post-secondary non-tertiary level, the share of private expenditure results from household expenditure and comprises mainly expenditure on tuition. In Germany and Switzerland, however, most private expenditure is accounted for by contributions from the business sector to the dual system of apprenticeship at the upper secondary and post-secondary non-tertiary levels.

Between 1995 and 2004, among the 20 OECD countries and partner economies with comparable data available, there was a small decrease in the share of public funding at primary, secondary and post-secondary non-tertiary levels in two-thirds of countries. Twelve countries recorded shifts from public to private funding, but the increase in the private share is about 2 percentage points or more only in Australia (14.5 to 16.8%), the Czech Republic (9.1 to 11.4%), the Slovak Republic (from 0.9 to 14.9%), Switzerland (10.9 to 13.6%) and the United Kingdom (from 11.5 to 13.4%), as well as in the partner economy Chile (from 28.2 to 31.1%). Funding shifts in the opposite direction, towards public funding, are notable in the other one-third of countries; the share of public funding increased by 3 percentage points or more in Hungary (from 91.7 to 94.7%) and Spain (87.6 to 92.5%) (Chart B3.3 and Table B3.2a).

Whatever the variation of the share of public funding at primary, secondary and post-secondary non-tertiary levels between 1995 and 2004, public educational expenditure increased in all countries with comparable data over this period. Contrary to the general picture given when all levels of education are combined, the increase in public expenditure does go along with a decrease of private expenditure in some countries (Hungary, Spain and Sweden). However, it is only in Spain that this may result in a decrease of total educational expenditure compared to GDP (see Table B2.1).

Public and private expenditure on educational institutions in tertiary institutions

In all OECD countries and partner economies except Germany and Greece, the private proportion of educational expenditure is far higher at the tertiary level than at the primary, secondary and post-secondary non-tertiary levels and represents on average nearly one-quarter of total expenditure on educational institutions at this level. At the tertiary level, the high private returns in the form of better employment and income opportunities (see Indicator A9) suggest that a greater contribution by individuals to the costs of tertiary education may be justified, provided, of course, that governments can ensure that funding is accessible to students irrespective of their economic background (see Indicator B5).

The proportion of expenditure on tertiary institutions covered by individuals, businesses and other private sources, including subsidised private payments, ranges from less than 5% in Denmark, Finland and Greece, to more than 50% in Australia, Japan and the United States and in the partner economy Israel and over 75% in Korea and the partner economy Chile (Chart B3.2 and Table B3.2b). In Korea, around 80% of tertiary students are enrolled in private universities, where more than 70% of budgets are derived from tuition fees. The contribution of private entities other than households to the financing of educational institutions is on average higher for tertiary education than for other levels of education. In one-quarter of OECD countries and partner economies – Australia, Hungary, Italy, Korea, the Netherlands, Sweden, the United Kingdom and the United States, and the partner economy Israel – the proportion of expenditure on tertiary institutions covered by private entities other than households represents 10% or more.

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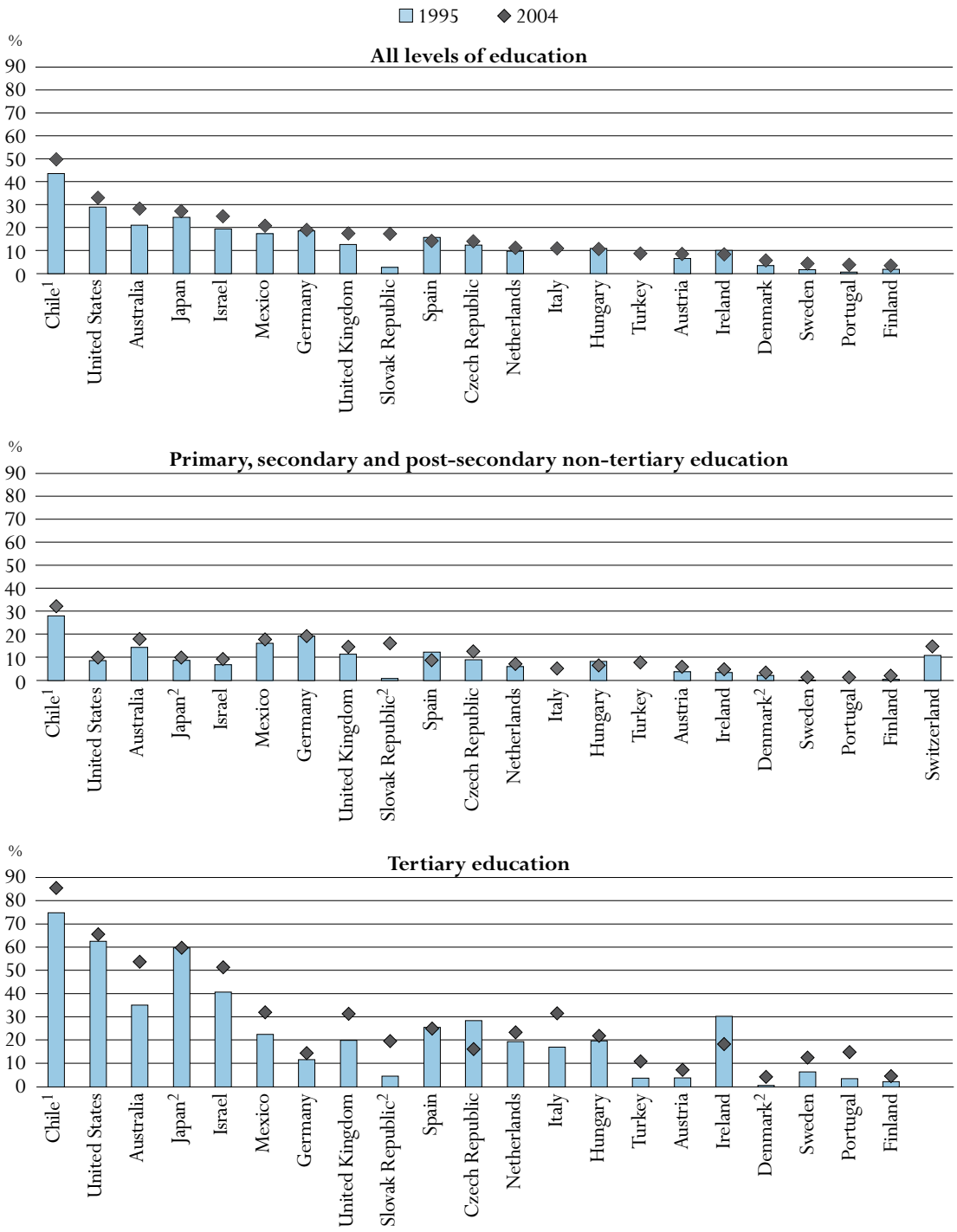
Chart B3.3. Share of private expenditure on educational institutions (1995, 2004)

Percentage



1. Year of reference 2005.
2. Some levels of education are included with others. Refer to "x" code in Table B1.1b for details.

Countries are ranked in descending order of the share of private expenditure on educational institutions in 2004 for all levels of education.

Source: OECD. Tables B3.1, B3.2a and B3.2b. See Annex 3 for notes (*www.oecd.org/edu/eag2007*).

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In many OECD countries, the growth in tertiary participation (see Indicator C2) represents a response to heavy demand, both individual and social. Just as many tertiary structures and programmes were designed for a different era, so too were its funding mechanisms. The share of public funding at the tertiary level represents on average in OECD countries 76% in 2004. On average among the 18 OECD countries for which trend data are available, the share of public funding in tertiary institutions slightly decreased between 1995 and 2000 and every year between 2001 and 2004 (Table B3.3).

In more than one-half of the OECD countries and partner economies with comparable data in 1995 and 2004, the private share increased by 3 percentage points or more. This increase exceeds 9 percentage points in Australia, Italy, Portugal, the Slovak Republic and the United Kingdom, as well as the partner economies Chile and Israel. However, only the Czech Republic and Ireland – and to a lesser extent Spain – show a significant decrease in the private share allocated to tertiary educational institutions (Table B3.2b and Chart B3.3). In Australia, the main reason for the increase in the private share of spending on tertiary institutions between 1995 and 2004 was changes to the Higher Education Contribution Scheme (HECS) that took place in 1997. The changes in HECS were part of a reform process aimed at providing more funds for higher education, partly through increased student/former student contributions. Thus, Australian figures on the public expenditure on educational institutions exclude HECS/HELP outlays. Public outlays on HECS/HELP by the Commonwealth government on behalf of students are treated as government loans or subsidies to households. Funds received by tertiary-type A institutions are treated as private payments from students (see Indicator B5).

The amounts paid by students and their families to cover tuition fees and other education-related expenditures differ among OECD countries according to taxation and spending policies, and the willingness of governments to support students (see Indicator B5). This willingness is influenced by students' enrolment status (full-time or part-time), age and residency (whether they are living at home). To some extent, however, the guidelines used in establishing eligibility for these subsidies are breaking down. Mature students, whose numbers are increasing, are more likely to have established their own households and to prefer part-time or distance learning to full-time, on-campus study.

Rises in private educational expenditure have generally gone hand in hand with rises (in real terms) in public expenditure on education at the tertiary level, as for educational expenditure when all levels of education are combined. Public investment in tertiary education has increased in all OECD countries and partner economies (except Australia) for which 1995 to 2004 data are available, regardless of changes in private spending (see Table B3.1). The only exception to this is Australia (see explanation on HECS above), where the shift towards private expenditure at tertiary level has been accompanied both by a small fall in the level of public expenditure in real terms and also by a significant increase of public subsidies provided to tertiary students.

Definitions and methodologies

Data refer to the financial year 2004 and are based on the UOE data collection on education statistics administered by the OECD in 2006 (for details see Annex 3 at *www.oecd.org/edu/eag2007*).

The public and private proportions of expenditure on educational institutions are the percentages of total spending originating in, or generated by, the public and private sectors. Private spending includes all direct expenditure on educational institutions, whether partially covered by public

subsidies or not. Public subsidies attributable to households, included in private spending, are shown separately.

A portion of the budgets of educational institutions is related to ancillary services offered to students, including student welfare services (student meals, housing and transportation). Part of the cost for these services is covered by fees collected from students and is included in the indicator.

Other private entities include private businesses and non-profit organisations, including religious organisations, charitable organisations, and business and labour associations. Expenditure by private companies on the work-based element of school and work-based training of apprentices and students are also taken into account.

The data on expenditure for 1995 were obtained by a special survey updated in 2006 in which expenditure for 1995 was adjusted to methods and definitions used in the current UOE data collection.

Note that data appearing in earlier editions of this publication may not always be comparable to data shown in the 2007 edition due to changes in definitions and coverage that were made as a result of the OECD expenditure comparability study (for details on changes, see Annex 3 at *www.oecd.org/edu/eag2007*).

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Table B3.1.

Relative proportions of public and private expenditure on educational institutions for all levels of education (1995, 2004)

Distribution of public and private sources of funds for educational institutions after transfers from public sources, by year

		2004					1995					Index of change between 1995 and 2004 in expenditure on educational institutions	
			Private sources					Private sources					
		Public sources	Household expenditure	Expenditure of other private entities	All private sources[1]	Private: of which, subsidised	Public sources	Household expenditure	Expenditure of other private entities	All private sources[1]	Private: of which, subsidised	Public sources	All private sources[1]
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
OECD countries	Australia	73.0	20.3	6.7	27.0	0.2	78.9	13.7	7.4	21.1	0.5	134	185
	Austria	92.8	4.1	3.2	7.2	2.1	93.4	3.4	3.2	6.6	1.5	107	118
	Belgium	94.3	4.8	0.9	5.7	1.8	m	m	m	m	m	m	m
	Canada	m	m	m	m	m	81.2	7.7	11.1	18.8	m	m	m
	Czech Republic	87.3	9.1	3.6	12.7	m	87.5	x(9)	x(9)	12.5	6.2	115	118
	Denmark	95.6	4.4	n	4.4	m	96.5	3.5	n	3.5	n	136	175
	Finland	97.9	x(4)	x(4)	2.1	n	98.1	x(9)	x(9)	1.9	n	134	153
	France	91.2	6.5	2.3	8.8	1.6	m	m	m	m	m	m	m
	Germany	82.3	x(4)	x(4)	17.7	n	82.3	x(9)	x(9)	17.7	a	109	109
	Greece	95.3	4.2	0.5	4.7	m	m	m	m	m	m	208	m
	Hungary	90.7	3.6	5.7	9.3	n	89.0	5.0	6.0	11.0	n	153	127
	Iceland	90.6	9.4	m	9.4	m	m	m	m	m	m	m	m
	Ireland	92.9	6.6	0.5	7.1	m	89.8	9.7	0.5	10.2	m	178	119
	Italy	90.4	7.2	2.4	9.6	n	m	m	m	m	m	107	m
	Japan	74.2	23.2	2.6	25.8	m	75.5	22.6	1.9	24.5	m	109	117
	Korea	60.5	30.1	9.4	39.5	0.9	m	m	m	m	m	m	m
	Luxembourg	m	m	m	m	m	m	m	m	m	m	m	m
	Mexico	80.5	19.3	0.2	19.5	1.0	82.6	17.4	m	17.4	m	155	178
	Netherlands	90.1	5.9	4.0	9.9	0.9	90.2	6.4	3.4	9.8	1.8	134	135
	New Zealand	80.7	18.8	0.5	19.3	m	m	m	m	m	m	154	m
	Norway	m	m	m	m	m	94.1	x(9)	x(9)	5.9	n	134	m
	Poland	90.1	9.9	m	9.9	m	m	m	m	m	a	151	m
	Portugal	97.5	2.5	m	2.5	m	99.4	0.6	m	0.6	m	131	508
	Slovak Republic	84.0	11.2	4.8	16.0	a	97.2	1.8	0.8	2.8	m	125	842
	Spain	87.1	12.1	0.8	12.9	0.5	84.2	x(9)	x(9)	15.8	0.4	129	102
	Sweden	97.0	0.1	2.9	3.0	a	98.3	0.1	1.6	1.7	m	137	244
	Switzerland	m	m	m	m	m	m	m	m	m	m	116	m
	Turkey	92.6	2.6	4.8	7.4	a	m	m	m	m	m	229	m
	United Kingdom	83.9	14.0	2.1	16.1	n	87.3	x(9)	x(9)	12.7	n	134	177
	United States	68.4	20.0	11.6	31.6	m	71.0	x(9)	x(9)	29.0	m	143	162
	OECD average	*87.0*	~	~	*13.0*	*0.6*	~	~	~	~	~	*140*	*210*
	EU19 average	*91.1*	~	~	*8.9*	*0.6*	~	~	~	~	~	*137*	*225*
Partner economies	Brazil	m	m	m	m	m	m	m	m	m	m	140	m
	Chile[2]	51.6	46.2	2.2	48.4	0.8	56.4	42.4	1.2	43.6	m	193	234
	Estonia	m	m	m	m	n	m	m	m	m	m	m	m
	Israel	76.4	16.7	6.9	23.6	2.2	80.5	13.0	6.4	19.5	1.3	122	156
	Russian Fed.	m	m	m	m	a	m	m	m	m	m	m	m
	Slovenia	86.3	11.8	1.9	13.7	0.6	m	m	m	m	m	m	m

1. Including subsidies attributable to payments to educational institutions received from public sources.
2. Year of reference 2005.

Source: OECD. See Annex 3 for notes (*www.oecd.org/edu/eag2007*).

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.

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Table B3.2a.

Relative proportions of public and private expenditure on educational institutions, as a percentage, by level of education (1995, 2004)

Distribution of public and private sources of funds for educational institutions after transfers from public sources, by year

		Pre-primary education (for children 3 years and older)					Primary, secondary and post-secondary non-tertiary education								Index of change between 1995 and 2004 in expenditure on educational institutions	
		2004					2004					1995				
		Public sources	Private sources			Private: of which subsidised	Public sources	Private sources			Private: of which subsidised	Public sources	All private sources[1]	Private: of which subsidised	Public sources	All private sources[1]
			Household expenditure	Expenditure of other private entities	All private sources[1]			Household expenditure	Expenditure of other private entities	All private sources[1]						
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
OECD countries	Australia	69.3	30.0	0.7	30.7	n	83.2	14.1	2.7	16.8	n	85.5	14.5	0.7	146	174
	Austria	70.0	13.9	16.1	30.0	14.4	95.3	2.6	2.1	4.7	0.6	96.2	3.8	0.6	107	132
	Belgium	97.1	2.9	m	m	0.3	94.9	5.1	m	m	1.2	m	m	m	m	m
	Canada	x(6)	x(7)	x(8)	x(9)	x(6)	m	m	m	m	x(6)	92.8	7.2	x(11)	m	m
	Czech Republic	87.3	9.3	3.3	12.7	m	88.6	8.6	2.8	11.4	m	90.9	9.1	6.8	108	139
	Denmark[2]	81.1	18.9	n	18.9	m	97.8	2.2	m	2.2	m	97.8	2.2	n	130	127
	Finland	91.1	x(4)	x(4)	8.9	n	99.2	x(9)	x(9)	0.8	n	99.5	0.5	n	135	200
	France	95.8	4.2	n	4.2	n	92.7	5.9	1.4	7.3	1.7	m	m	m	m	m
	Germany	71.8	x(4)	x(4)	28.2	n	81.9	x(9)	x(9)	18.1	n	81.0	19.0	a	108	101
	Greece	x(6)	x(7)	x(8)	x(9)	m	93.8	6.2	n	6.2	m	m	m	m	172	m
	Hungary	93.9	4.3	1.8	6.1	n	94.7	2.7	2.6	5.3	n	91.7	8.3	n	147	90
	Iceland[2]	64.9	35.1	m	35.1	n	96.5	3.5	m	3.5	n	m	m	m	m	m
	Ireland	m	m	m	m	m	96.4	x(9)	x(9)	3.6	m	96.5	3.5	m	174	177
	Italy	90.8	9.2	n	9.2	0.4	96.1	3.9	0.1	3.9	n	m	m	m	104	m
	Japan[2]	50.0	43.1	6.8	50.0	a	91.3	7.7	1.0	8.7	m	91.2	8.8	m	105	104
	Korea	37.9	59.6	2.5	62.1	6.0	79.5	17.8	2.7	20.5	0.8	m	m	m	m	m
	Luxembourg	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
	Mexico	80.5	19.4	0.1	19.5	0.2	83.4	16.5	0.1	16.6	1.1	83.8	16.2	m	147	151
	Netherlands	96.2	0.6	3.1	3.8	a	94.1	4.3	1.7	5.9	0.9	93.9	6.1	1.4	143	138
	New Zealand	57.6	34.9	7.5	42.4	m	87.5	12.2	0.2	12.5	m	m	m	m	162	m
	Norway	86.3	13.7	m	13.7	n	m	m	m	m	m	99.0	1.0	x(11)	129	m
	Poland	87.1	12.9	m	12.9	n	97.6	2.4	m	2.4	m	m	m	m	152	m
	Portugal	m	m	m	m	m	99.9	0.1	m	0.1	m	100.0	n	m	133	207
	Slovak Republic[2]	79.0	19.9	1.1	21.0	a	85.1	10.8	4.1	14.9	a	99.1	0.9	m	120	2445
	Spain	82.5	17.5	m	17.5	n	92.5	7.5	m	7.5	n	87.6	12.4	m	113	65
	Sweden	100.0	n	n	n	n	99.9	0.1	a	0.1	a	99.8	0.2	m	139	80
	Switzerland	m	m	m	m	m	86.4	n	13.6	13.6	0.8	89.1	10.9	1.1	113	m
	Turkey	m	m	m	m	m	93.4	0.2	6.4	6.6	a	m	m	m	243	m
	United Kingdom	94.9	5.1	n	5.1	a	86.6	13.4	n	13.4	n	88.5	11.5	n	146	174
	United States	75.4	x(4)	x(4)	24.6	a	91.3	x(9)	x(9)	8.7	a	91.3	8.7	m	140	140
	OECD average	*80.0*	*~*	*~*	*20.0*	*1.1*	*91.8*	*~*	*~*	*8.3*	*0.4*	*~*	*~*	*~*	*138*	*273*
	EU19 average	*87.9*	*~*	*~*	*12.1*	*1.7*	*93.7*	*~*	*~*	*6.3*	*0.4*	*~*	*~*	*~*	*141*	*356*
Partner economies	Brazil	m	m	m	m	m	m	m	m	m	m	m	m	m	148	m
	Chile[3]	66.2	33.7	0.1	33.8	m	68.9	28.0	3.1	31.1	m	71.8	28.2	m	198	227
	Estonia	m	m	m	m	n	m	m	m	m	n	m	m	m	m	m
	Israel	77.2	20.7	2.1	22.8	n	91.9	4.9	3.2	8.1	1.4	93.1	6.9	0.8	123	145
	Russian Federation	m	m	m	m	a	m	m	m	m	a	m	m	m	m	m
	Slovenia	81.1	18.9	0.1	18.9	n	90.4	9.0	0.5	9.6	0.8	m	m	m	m	m

1. Including subsidies attributable to payments to educational institutions received from public sources. To calculate private funds net of subsidies, subtract public subsidies (columns 5, 10, 15) from private funds (columns 4, 9, 14). To calculate total public funds, including public subsidies, add public subsidies (columns 5, 10, 15) to direct public funds (columns 1, 6, 11).

2. Some levels of education are included with others. Refer to "x" code in Table B1.1a for details.

3. Year of reference 2005.

Source: OECD. See Annex 3 for notes (*www.oecd.org/edu/eag2007*).

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.

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Table B3.2b.

Relative proportions of public and private expenditure on educational institutions, as a percentage, for tertiary education (1995, 2004)

Distribution of public and private sources of funds for educational institutions after transfers from public sources, by year

		Tertiary education									
		2004					1995			Index of change between 1995 and 2004 in expenditure on educational institutions	
			Private sources				Public sources				
		Public sources	Household expenditure	Expenditure of other private entities	All private sources[1]	Private: of which subsidised	Public sources	All private sources[1]	Private: of which subsidised	Public sources	All private sources[1]
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
OECD countries	Australia	47.2	35.6	17.2	52.8	0.8	64.8	35.2	n	96	198
	Austria	93.7	4.8	1.6	6.3	2.0	96.1	3.9	5.1	123	205
	Belgium	90.4	5.1	4.5	9.6	4.7	m	m	m	m	m
	Canada	m	m	m	m	m	56.6	43.4	22.3	m	m
	Czech Republic	84.7	9.2	6.1	15.3	m	71.5	28.5	8.7	170	77
	Denmark[2]	96.7	3.3	n	3.3	a	99.4	0.6	n	129	733
	Finland	96.3	x(4)	x(4)	3.7	n	97.8	2.2	n	126	208
	France	83.9	9.8	6.4	16.1	2.2	m	m	m	m	m
	Germany	86.4	x(4)	x(4)	13.6	n	88.6	11.4	a	109	133
	Greece	97.9	0.4	1.7	2.1	m	m	m	m	312	m
	Hungary	79.0	6.6	14.4	21.0	n	80.3	19.7	n	157	169
	Iceland[2]	90.9	9.1	m	9.1	m	m	m	m	m	m
	Ireland	82.6	15.6	1.8	17.4	4.4	69.7	30.3	m	208	101
	Italy	69.4	18.4	12.2	30.6	4.6	82.9	17.1	0.1	119	254
	Japan[2]	41.2	x(4)	x(4)	58.8	m	40.2	59.8	m	128	123
	Korea	21.0	55.6	23.3	79.0	0.3	m	m	m	m	m
	Luxembourg	m	m	m	m	m	m	m	m	m	m
	Mexico	68.9	30.6	0.5	31.1	0.8	77.4	22.6	m	150	231
	Netherlands	77.6	12.0	10.4	22.4	1.4	80.6	19.4	2.5	111	133
	New Zealand	60.8	39.2	m	39.2	m	m	m	m	109	m
	Norway	m	m	m	m	m	93.7	6.3	n	117	m
	Poland	72.9	27.1	m	m	m	m	m	m	202	m
	Portugal	86.0	14.0	m	14.0	m	96.5	3.5	m	116	522
	Slovak Republic[2]	81.3	9.7	9.0	18.7	a	95.4	4.6	m	178	850
	Spain	75.9	20.8	3.3	24.1	1.9	74.4	25.6	2.0	165	153
	Sweden	88.4	n	11.6	11.6	a	93.6	6.4	a	134	254
	Switzerland	m	m	m	m	m	m	m	m	176	m
	Turkey	90.0	10.0	m	10.0	a	96.3	3.7	0.7	191	548
	United Kingdom	69.6	19.4	11.1	30.4	n	80.0	20.0	n	106	185
	United States	35.4	35.1	29.5	64.6	m	37.4	62.6	m	154	168
	OECD average	***75.7***	~	~	***24.3***	***1.3***	~	~		***149***	***276***
	EU19 average	***84.0***	~	~	***16.0***	***1.0***	~	~		***154***	***284***
Partner economies	Brazil	m	m	m	m	m	m	m	m	129	m
	Chile[3]	15.5	83.7	0.9	84.5	2.5	25.1	74.9	m	127	232
	Estonia	m	m	m	m	n	m	m	m	m	m
	Israel	49.6	34.4	16.1	50.4	5.4	59.2	40.8	3.0	114	169
	Russian Federation	m	m	m	m	m	m	m	m	m	m
	Slovenia	75.7	17.3	7.1	24.3	n	m	m	m	m	m

1. Including subsidies attributable to payments to educational institutions received from public sources. To calculate private funds net of subsidies, subtract public subsidies (columns 5, 10) from private funds (columns 4, 9). To calculate total public funds, including public subsidies, add public subsidies (columns 5, 10) to direct public funds (columns 1, 6).
2. Some levels of education are included with others. Refer to "x" code in Table B1.1a for details.
3. Year of reference 2005.

Source: OECD. See Annex 3 for notes (*www.oecd.org/edu/eag2007*).

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Table B3.3.

Trends in relative proportions of public expenditure[1] on educational institutions and index of change between 1995 and 2004 (1995=100, constant prices), for tertiary education (1995, 2000, 2001, 2002, 2003, 2004)

		Share of public expenditure on educational institutions (%)						Index of change between 1995 and 2004 in public expenditure on educational institutions (1995=100)					
		1995	2000	2001	2002	2003	2004	1995	2000	2001	2002	2003	2004
OECD countries	Australia	64.8	51.0	51.3	48.7	48.0	47.2	100	87	89	91	92	96
	Austria	96.1	96.3	94.6	91.6	92.7	93.7	100	103	115	106	111	123
	Belgium	m	91.5	89.5	86.1	86.7	90.4	m	m	m	m	m	m
	Canada	56.6	61.0	58.6	56.4	m	m	100	144	146	141	m	m
	Czech Republic	71.5	85.4	85.3	87.5	83.3	84.7	100	116	126	141	160	170
	Denmark	99.4	97.6	97.8	97.9	96.7	96.7	100	108	127	133	122	129
	Finland	97.8	97.2	96.5	96.3	96.4	96.3	100	110	111	115	120	126
	France	m	m	m	m	m	m	m	m	m	m	m	m
	Germany	88.6	m	m	m	87.0	86.4	100	m	m	m	111	109
	Greece	m	99.7	99.6	99.6	97.9	97.9	100	160	217	246	310	312
	Hungary	80.3	76.7	77.6	78.7	78.5	79.0	100	129	140	159	180	157
	Iceland	m	94.9	95.0	95.6	88.7	90.9	m	m	m	m	m	m
	Ireland	69.7	79.2	84.7	85.8	83.8	82.6	100	204	204	210	198	208
	Italy	82.9	77.5	77.8	78.6	72.1	69.4	100	118	126	131	118	119
	Japan	40.2	43.6	41.6	40.2	41.1	41.2	100	126	120	118	127	128
	Korea	m	23.3	15.9	14.9	23.2	21.0	m	m	m	m	m	m
	Luxembourg	m	m	m	m	m	m	m	m	m	m	m	m
	Mexico	77.4	79.4	70.4	71.0	69.1	68.9	100	133	112	158	149	150
	Netherlands	80.6	78.2	78.2	78.8	78.6	77.6	100	103	106	108	108	111
	New Zealand	m	m	m	62.5	61.5	60.8	100	96	100	107	112	109
	Norway	93.7	96.3	m	96.3	96.7	m	100	94	98	110	115	117
	Poland	m	66.6	66.9	69.7	69.0	72.9	100	113	132	166	170	202
	Portugal	96.5	92.5	92.3	91.3	91.5	86.0	100	131	141	130	143	116
	Slovak Republic	95.4	91.2	93.3	85.2	86.2	81.3	100	119	130	132	150	178
	Spain	74.4	74.4	75.5	76.3	76.9	75.9	100	139	149	155	163	165
	Sweden	93.6	91.3	91.0	90.0	89.0	88.4	100	118	121	128	132	134
	Switzerland	m	m	m	m	m	m	100	136	153	167	177	176
	Turkey	96.3	95.4	94.6	90.1	95.2	90.0	100	179	170	191	202	191
	United Kingdom	80.0	67.7	71.0	72.0	70.2	69.6	100	86	97	106	106	106
	United States	37.4	31.1	38.1	39.5	38.3	35.4	100	118	129	141	153	154
	OECD average	***79.9***	***77.6***	***76.5***	***76.2***	***76.9***	***75.4***	***100***	***124***	***132***	***141***	***147***	***149***
	OECD average *(for countries with data available for all reference years)*	***79.8***	***78.1***	***78.4***	***77.7***	***77.1***	***76.1***	***100***	***123***	***132***	***141***	***149***	***153***
	EU19 average *(for countries with data available for all reference years)*	***85.9***	***85.0***	***85.8***	***85.4***	***84.3***	***83.2***	***100***	***124***	***138***	***144***	***153***	***157***
Partner economies	Brazil	m	m	m	m	m	m	100	128	128	131	140	129
	Chile	25.1	19.5	m	19.3	17.0	15.5	100	128	m	143	131	127
	Estonia	m	m	m	m	m	m	m	m	m	m	m	m
	Israel	59.2	56.5	56.8	53.4	59.3	49.6	100	124	127	118	133	114
	Russian Federation	m	m	m	m	m	m	m	m	m	m	m	m
	Slovenia	m	m	m	m	m	75.7	m	m	m	m	m	m

1.Public expenditure on educational institutions excludes international funds.

Source: OECD. See Annex 3 for notes *(www.oecd.org/edu/eag2007)*.

Please refer to the Reader's Guide for information concerning the symbols replacing missing data.

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Reader's Guide

Coverage of the statistics

Although a lack of data still limits the scope of the indicators in many countries, the coverage extends, in principle, to the entire national education system (within the national territory) regardless of the ownership or sponsorship of the institutions concerned and regardless of education delivery mechanisms. With one exception described below, all types of students and all age groups are meant to be included: children (including students with special needs), adults, nationals, foreigners, as well as students in open distance learning, in special education programmes or in educational programmes organised by ministries other than the Ministry of Education, provided the main aim of the programme is the educational development of the individual. However, vocational and technical training in the workplace, with the exception of combined school and work-based programmes that are explicitly deemed to be parts of the education system, is not included in the basic education expenditure and enrolment data.

Educational activities classified as "adult" or "non-regular" are covered, provided that the activities involve studies or have a subject matter content similar to "regular" education studies or that the underlying programmes lead to potential qualifications similar to corresponding regular educational programmes. Courses for adults that are primarily for general interest, personal enrichment, leisure or recreation are excluded.

Calculation of international means

For many indicators an OECD average is presented and for some an OECD total.

The OECD average is calculated as the unweighted mean of the data values of all OECD countries for which data are available or can be estimated. The OECD average therefore refers to an average of data values at the level of the national systems and can be used to answer the question of how an indicator value for a given country compares with the value for a typical or average country. It does not take into account the absolute size of the education system in each country.

The OECD total is calculated as a weighted mean of the data values of all OECD countries for which data are available or can be estimated. It reflects the value for a given indicator when the OECD area is considered as a whole. This approach is taken for the purpose of comparing, for example, expenditure charts for individual countries with those of the entire OECD area for which valid data are available, with this area considered as a single entity.

Note that both the OECD average and the OECD total can be significantly affected by missing data. Given the relatively small number of countries, no statistical methods are used to compensate for this. In cases where a category is not applicable (code "a") in a country or where the data value is negligible (code "n") for the corresponding calculation, the value zero is imputed for the purpose of calculating OECD averages. In cases where both the numerator and the denominator of a ratio are not applicable (code "a") for a certain country, this country is not included in the OECD average.

For financial tables using 1995 data, both the OECD average and OECD total are calculated for countries providing both 1995 and 2004 data. This allows comparison of the OECD average and OECD total over time with no distortion due to the exclusion of certain countries in the different years.

For many indicators an EU19 average is also presented. It is calculated as the unweighted mean of the data values of the 19 OECD countries that are members of the European Union for which data are available or can be estimated. These 19 countries are Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Ireland, Luxembourg, the Netherlands, Poland, Portugal, the Slovak Republic, Spain, Sweden and the United Kingdom.

Classification of levels of education

The classification of the levels of education is based on the revised International Standard Classification of Education (ISCED-97). The biggest change between the revised ISCED and the former ISCED (ISCED-76) is the introduction of a multi-dimensional classification framework, allowing for the alignment of the educational content of programmes using multiple classification criteria. ISCED is an instrument for compiling statistics on education internationally and distinguishes among six levels of education. The glossary available at *www.oecd.org/edu/eag2007* describes in detail the ISCED levels of education, and Annex 1 shows corresponding typical graduation ages of the main educational programmes by ISCED level.

Symbols for missing data

Six symbols are employed in the tables and charts to denote missing data:

a Data is not applicable because the category does not apply.

c There are too few observations to provide reliable estimates (*i.e.* there are fewer than 3% of students for this cell or too few schools for valid inferences). However, these statistics were included in the calculation of cross-country averages.

m Data is not available.

n Magnitude is either negligible or zero.

w Data has been withdrawn at the request of the country concerned.

x Data included in another category or column of the table (*e.g.* *x*(2) means that data are included in column 2 of the table).

~ Average is not comparable with other levels of education.

Further resources

The website *www.oecd.org/edu/eag2007* provides a rich source of information on the methods employed for the calculation of the indicators, the interpretation of the indicators in the respective national contexts and the data sources involved. The website also provides access to the data underlying the indicators as well as to a comprehensive glossary for technical terms used in this publication.

Any post-production changes to this publication are listed at *www.oecd.org/edu/eag2007*.

The website *www.pisa.oecd.org* provides information on the OECD Programme for International Student Assessment (PISA), on which many of the indicators in this publication draw.

Education at a Glance uses the OECD's StatLinks service. Below each table and chart in *Education at a Glance 2007* is a url which leads to a corresponding Excel workbook containing the underlying data for the indicator. These urls are stable and will remain unchanged over time. In addition, readers of the *Education at a Glance* e-book will be able to click directly on these links and the workbook will open in a separate window.

Codes used for territorial entities

These codes are used in certain charts. Country or territorial entity names are used in the text. Note that in the text the Flemish Community of Belgium is referred to as "Belgium (Fl.)" and the French Community of Belgium as "Belgium (Fr.)".

AUS	Australia	ITA	Italy
AUT	Austria	JPN	Japan
BEL	Belgium	KOR	Korea
BFL	Belgium (Flemish Community)	LUX	Luxembourg
BFR	Belgium (French Community)	MEX	Mexico
BRA	Brazil	NLD	Netherlands
CAN	Canada	NZL	New Zealand
CHL	Chile	NOR	Norway
CZE	Czech Republic	POL	Poland
DNK	Denmark	PRT	Portugal
ENG	England	RUS	Russian Federation
EST	Estonia	SCO	Scotland
FIN	Finland	SVK	Slovak Republic
FRA	France	SVN	Slovenia
DEU	Germany	ESP	Spain
GRC	Greece	SWE	Sweden
HUN	Hungary	CHE	Switzerland
ISL	Iceland	TUR	Turkey
IRL	Ireland	UKM	United Kingdom
ISR	Israel	USA	United States

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