



1

Management and Funding

This chapter describes public and private involvement in schools from the perspectives of management and funding.



In PISA 2009, school principals were asked to respond to questions regarding the public and private involvement in both managing and funding schools as shown in Box 1.1.

Box 1.1 **PISA 2009 questions: public and private involvement in managing and funding schools**

Q2 Is your school a public or a private school? (Please tick only one box)	
A public school (This is a school managed directly or indirectly by a public education authority, government agency, or governing board appointed by government or elected by public franchise.)	<input type="checkbox"/> 1
A private school (This is a school managed directly or indirectly by a non-government organisation; e.g. a church, trade union, business, or other private institution.)	<input type="checkbox"/> 2

Q3 About what percentage of your total funding for a typical school year comes from the following sources? (Please write a number in each row. Write 0 (zero) if no funding comes from that source.)	
	%
a) Government (includes departments, local, regional, state and national)	
b) Student fees or school charges paid by parents	
c) Benefactors, donations, bequests, sponsorships, parent fund raising	
d) Other	
Total	100%

MANAGEMENT OF SCHOOLS

School principals were asked whether the school is managed directly or indirectly by a public education authority, government agency, or governing board appointed by government or elected by public franchise, or managed directly or indirectly by a non-government organisation, such as a church, trade union, business, or other private institution.¹ In the remainder of this report, the former are referred to as *publicly managed schools*, and the latter are referred to as *privately managed schools*. Figure 1.1 shows that across OECD countries, 82% of 15-year-old students attend publicly managed schools while 18% attend privately managed schools. In 18 OECD countries and 14 partner economies, over 90% of 15-year-old students attend publicly managed schools. In Turkey, Iceland, Norway and the partner countries the Russian Federation, Azerbaijan, Romania, Montenegro, Latvia, Lithuania, Serbia, Tunisia, Singapore, Croatia and Bulgaria, over 98% of students attend publicly managed schools. In contrast, over 50% of students attend privately managed schools in Belgium (70%), the Netherlands (66%), Ireland (62%), Chile (58%) and the partner economies Macao-China (96%), Hong Kong-China (93%) and Dubai (UAE) (79%) (Table B1.1).

In general, privately managed schools tend to have more autonomy, better resources, better school climate and better performance levels than publicly managed schools as shown in Figure 1.2. In 26 OECD countries and 19 partner countries and economies principals in privately managed schools tend to report greater school autonomy in resource allocation than principals in publicly managed schools reported (Table B1.2). Only in the Czech Republic, the Slovak Republic, Austria and the Netherlands there is no difference in school autonomy in resource allocation between publicly and private managed schools.

In 16 OECD countries and 16 partner countries and economies, principals in privately managed schools tend to report greater school autonomy in curricula and assessments than principals in publicly managed schools reported. In 12 OECD countries and 13 partner countries and economies, principals in privately managed schools tend to report that they have better educational resources than principals in publicly managed schools reported. In 13 OECD countries and 12 partner countries and economies, principals in privately managed schools reported fewer teacher shortages; only in Korea, Slovenia and the partner country Indonesia is the opposite observed. In 16 OECD countries and 4 partner countries and economies, students in privately managed schools tend to report better disciplinary climate than students in publicly managed schools do. Only in Italy and Japan and the partner economy Chinese Taipei is the opposite observed.



■ Figure 1.1 ■

Public and private management of schools

	Percentage of students who attend:	
	Publicly managed schools	Privately managed schools
Macao-China	4	96
Hong Kong-China	7	93
Dubai (UAE)	21	79
Belgium	31	69
Netherlands	34	66
Ireland	39	61
Chile	42	58
Indonesia	57	43
Australia	60	40
Korea	63	37
Chinese Taipei	64	36
Argentina	64	36
Spain	66	34
Qatar	69	31
Japan	71	29
Panama	77	23
Denmark	77	23
Peru	78	22
Colombia	81	19
Jordan	81	19
OECD average	82	18
Uruguay	82	18
Israel	82	18
Thailand	83	17
Luxembourg	85	15
Portugal	86	14
Hungary	87	13
Austria	87	13
Brazil	88	12
Mexico	88	12
Albania	89	11
Trinidad and Tobago	89	11
Shanghai-China	90	10
Sweden	90	10
Slovak Republic	91	9
United States	91	9
Canada	93	7
Switzerland	94	6
United Kingdom	94	6
Italy	94	6
New Zealand	94	6
Liechtenstein	94	6
Greece	95	5
Germany	95	5
Finland	96	4
Czech Republic	96	4
Estonia	97	3
Kazakhstan	97	3
Kyrgyzstan	97	3
Slovenia	97	3
Poland	98	2
Bulgaria	98	2
Croatia	98	2
Singapore	98	2
Tunisia	98	2
Norway	99	1
Serbia	99	1
Lithuania	99	1
Iceland	99	1
Turkey	99	1
Latvia	99	1
Montenegro	99	1
Romania	100	0
Azerbaijan	100	0
Russian Federation	100	0

Countries are ranked in ascending order of the percentage of students in publicly managed schools.
Source: OECD, PISA 2009 Database; Table B1.1.

■ Figure 1.2 ■

How school autonomy, resources, climate and performance differ between publicly and privately managed schools

	Difference between privately and publicly managed schools (private – public)					
	<i>Index of school responsibility for curriculum and assessment</i> (Index points)	<i>Index of school responsibility for resource allocation</i> (Index points)	<i>Index of the school's educational resources</i> (Index points)	<i>Index of teacher shortage</i> (Index points)	<i>Index of disciplinary climate</i> (Index points)	<i>Performance in reading</i> (Score points)
OECD average	0.36	1.08	0.43	-0.24	0.16	30
The number of countries and economies where the difference is in the same direction as that of the OECD average (the number of OECD countries are in parentheses)	32 (16)	45 (19)	25 (12)	25 (13)	20 (16)	29 (16)
The number of countries and economies where the difference is in the opposite direction of the OECD average (the number of OECD countries are in parentheses)	0 (0)	0 (0)	0 (0)	3 (2)	3 (2)	5 (1)

Source: OECD, *PISA 2009 Database*; Table B1.2.

In 16 OECD countries and 13 partner countries and economies, students in privately managed schools tend to perform better in reading than students in publicly managed schools, while the opposite is observed only in Italy, the partner countries Tunisia and Indonesia and the partner economies Chinese Taipei and Hong Kong-China (Table B1.2).

However, on average across OECD countries, over three-quarters of the score-point difference in performance between publicly and privately managed schools can be attributed to the capacity of privately managed schools to attract socio-economically advantaged students (OECD, 2011). This raises the question of why the difference in socio-economic background between students who attend publicly managed schools and those who attend privately managed schools, or stratification, is more pronounced in some countries than in others.

FUNDING FOR SCHOOLS

Schools' budgets may come from different sources. School principals were asked to report the percentage of their schools' total annual funding that came from: (a) the government, including departments, local, regional, state and national authorities; (b) student fees or school charges paid by parents; (c) benefactors, donations, bequests, sponsorships, and parent fundraising; and (d) other.² Figure 1.3 shows that, on average across OECD countries, 85% of total school funding for a typical school year comes from government sources; 10% from parents, in student fees or school charges paid by parents; 2% from benefactors; and 2% from other sources. In Sweden, Finland, Norway, Iceland, Estonia, and the partner countries Azerbaijan and Lithuania, the average student attends a school where over 98% of school funding comes from government sources, while over 30% of school funding comes from parents in Korea (48%), Mexico (46%), and the partner countries and economies Dubai (UAE) (82%), Peru (39%), Colombia (32%), Chinese Taipei (31%) and Indonesia (30%). In all countries and economies except Turkey and Greece and the partner countries Peru, Argentina and Indonesia, over 90% of school funding comes from either government sources or parents (Table B1.3).

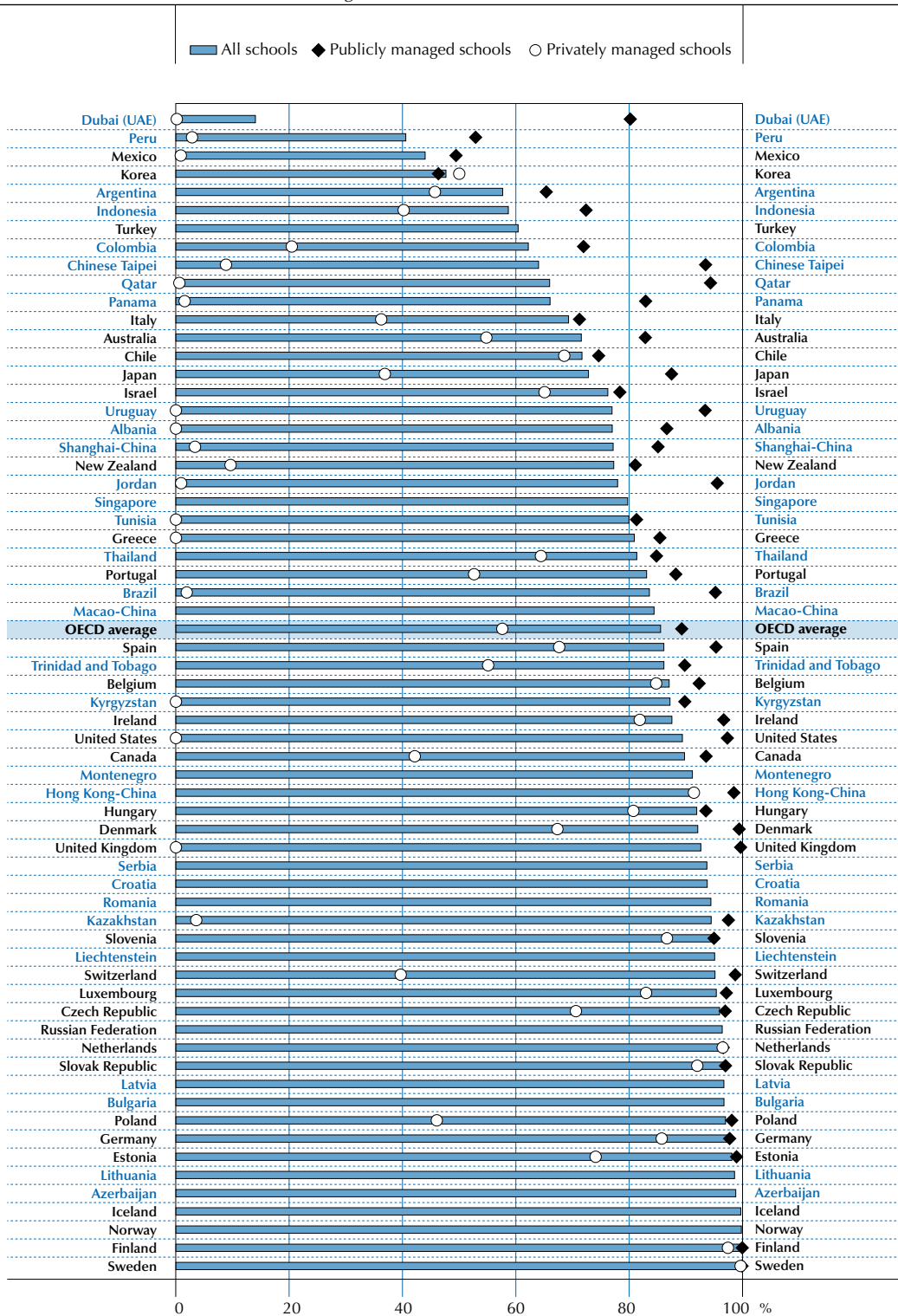
The levels of public funding for privately managed schools differ greatly across countries. In Sweden, Finland, the Netherlands, the Slovak Republic and the partner economy Hong Kong-China, principals in privately managed schools reported that over 90% of school funding comes from the government, while in Slovenia, Germany, Belgium, Hungary, Luxembourg and Ireland, between 80% and 90% of funding for privately managed school does (Table B1.4). In contrast, in the United Kingdom, Greece, the United States, Mexico, and the partner countries and economies Albania, Kyrgyzstan, Tunisia, Uruguay, Dubai (UAE), Qatar and Jordan, 1% or less of funding for privately managed schools comes from the government; in New Zealand and the partner countries and economies Panama, Brazil, Chinese Taipei, Kazakhstan, Peru and Shanghai-China, between 1% and 10% does.



■ Figure 1.3 ■

Public funding for schools

Percentage of total school funding for a typical school year comes from government, including departmental, local, regional state and national authorities



Note: The percentages of public funding for privately and publicly managed schools are shown only for those countries with results available for both privately and publicly managed schools.

Countries are ranked in ascending order of the percentage of public funding for all schools.

Source: OECD, PISA 2009 Database; Tables B1.3 and B1.4.



As expected, countries that provide more public funding to privately managed schools tend to require less funding from parents.³ In Sweden, Finland, Hungary, the Netherlands, Slovenia, the Slovak Republic, Germany and the partner economy Hong Kong-China, principals in privately managed schools reported that 10% or less of school funding comes from student fees or school charges paid by parents, while in the United Kingdom, Greece, Mexico, and the partner countries and economies Tunisia, Dubai (UAE), Uruguay, Shanghai-China, Panama, Peru and Qatar, 90% or more does (Table B1.4).

Management and funding of schools can be dissociated from each other. In most countries, publicly managed schools have high levels of public funding; but countries with a greater number of publicly managed schools are not necessarily those with high levels of public funding for schools. This is because in these countries, publicly managed schools receive funding not only from the government, but also from parents; and privately managed schools receive funding not only from parents, but also from government sources. Countries in the bottom right section of Figure 1.4 are those with higher levels of public involvement in both managing and funding schools. Countries in the top left section are those with lower levels of public involvement in both managing and funding schools (see Country Box B at the end of this report for a brief history of public and private involvement in schools in Chile as an example of the countries in this section). Countries in the top right section are those with lower levels of public involvement in managing schools but higher levels of public involvement in funding them (see Country Box C at the end of this report for a brief history of public and private involvement in schools in the Netherlands as an example of the countries in this section). Countries in the bottom left section are those with higher levels of public involvement in managing schools but lower levels of public funding for schools. Thus, it is important to examine the public and private involvement in schools from both perspectives: management and funding.

■ Figure 1.4 ■

Public and private involvement in managing and funding schools

		FUNDING		
		Percentage of total school funding from public sources (OECD average = 85%)		
		Below OECD average	Around OECD average	Above OECD average
MANAGEMENT	Percentage of students who attend publicly managed schools (OECD average = 84%)	Below OECD average Australia (60%, 71%) Chile (42%, 72%) Japan (71%, 73%) Korea (63%, 48%) Argentina (64%, 58%) Dubai (UAE) (21%, 14%) Indonesia (57%, 59%) Jordan (81%, 78%) Panama (77%, 66%) Peru (78%, 41%) Qatar (69%, 66%) Chinese Taipei (64%, 64%)	Around OECD average Belgium (31%, 87%) Ireland (39%, 87%) Spain (66%, 86%)	Above OECD average Denmark (77%, 92%) Netherlands (34%, 96%) Hong Kong-China (7%, 92%) Macao-China (4%, 84%)
	Around OECD average	Israel (82%, 76%) Colombia (81%, 62%) Uruguay (82%, 77%)	Portugal (86%, 83%) Thailand (83%, 81%)	Hungary (87%, 92%)
	Above OECD average	Greece (95%, 81%) Italy (94%, 69%) Mexico (88%, 44%) New Zealand (94%, 77%) Turkey (99%, 60%) Albania (89%, 77%) Shanghai-China (90%, 77%) Singapore (98%, 80%) Tunisia (98%, 80%)	Brazil (88%, 84%) Kyrgyzstan (97%, 87%)	Canada (93%, 90%) Czech Republic (96%, 96%) Estonia (97%, 98%) Finland (96%, 100%) Germany (95%, 97%) Iceland (99%, 100%) Luxembourg (85%, 95%) Norway (99%, 100%) Poland (98%, 97%) Slovak Republic (91%, 96%) Slovenia (97%, 95%) Sweden (90%, 100%) Switzerland (94%, 95%) United Kingdom (94%, 93%) United States (91%, 89%) Azerbaijan (100%, 99%) Bulgaria (98%, 97%) Croatia (98%, 94%) Kazakhstan (97%, 94%) Latvia (99%, 97%) Liechtenstein (94%, 95%) Lithuania (99%, 99%) Montenegro (99%, 91%) Romania (100%, 94%) Russian Federation (100%, 96%) Serbia (99%, 94%) Trinidad and Tobago (89%, 86%)

Note: The percentage of students who attend publicly managed schools and the percentage of total school funding from public source are indicated in parentheses.

Source: OECD, *PISA 2009 Database*; Tables B1.1 and B1.3.



Reference

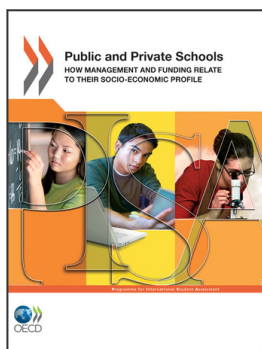
OECD (2011), "Private schools: Who benefits?" *PISA in Focus*, No. 7, OECD Publishing.

Notes

1. In Ireland, all schools that have been classified as privately managed are those managed by religious organisations. Most of these schools are publicly funded, and only a minority charge student fees. In the United States, the question in the PISA 2009 school questionnaire asked if the school was public or private, but did not include the parenthetical text regarding management. This is because in the United States, school type (public or private) is determined by the primary funding source, not the management model. Thus, the data from the United States show the percentage of students in publicly funded and privately funded schools. In general, publicly -funded schools are also publicly managed. However, the United States has a small but growing number of "charter schools" that are primarily funded with public money but may be (but not always) managed privately. These schools would be considered "public" and would be so categorised in the data file even if they are managed by a private institution. There are also instances in which a public school system or schools may be led by a private institution, but are not "charter schools"; these too would be considered public schools.

2. Privately managed schools are grouped into government-dependent and government-independent private schools based on the level of public funding. A government-dependent private institution is one that receives more than 50% of its core funding from government agencies or whose teaching personnel are paid by a government agency; a government-independent private institution is one that receives less than 50% of its core funding from government agencies and whose teaching personnel are not paid by a government agency.

3. Correlation coefficient between these two indicators is -0.97 across OECD countries.



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