

What share of public spending goes to education?

- Education accounts for 13% of total public spending, on average in OECD countries, ranging from less than 10% in the Czech Republic, Hungary, Ireland, Italy and Japan, to more than 20% in Mexico and New Zealand.
- The proportion of public spending devoted to education increased slightly between 1995 and 2010 in most countries.
- Public spending on education grew faster than public spending on all other services between 2008 and 2010 in almost half of the OECD countries, although there was no clear global trend.
- Most OECD countries spend more than twice as much on primary, secondary and post-secondary non-tertiary education as on tertiary education.

Significance

Public spending on education, as a percentage of total public spending, indicates the importance placed on education relative to that of other areas of public spending, such as health care, social security and national security. Since the second half of the 1990s, most OECD countries have sought to consolidate public budgets, and education has had to compete with other sectors for public financial support. More recently, the economic crisis has put further pressure on public budgets to the extent that fewer public resources may be allocated to education. This section evaluates the change in spending on education both in absolute terms and relative to changes in the size of public budgets.

Findings

Education is a priority for governments. The proportion of public spending devoted to education increased between 1995 and 2005 in most countries with available data. Only Canada, France, Israel, Japan, New Zealand and Portugal show a different pattern.

The share of public spending devoted to education decreased in around two-thirds of countries between 2005 and 2010, as total public spending grew faster than spending on education.

While there was no clear global trend in how the proportion of public spending on education evolved during the economic crisis, in 14 out of the 30 countries with available data, public spending on education grew at a faster rate than public spending on all other services between 2008 and 2010.

Public funding is more decentralised at the primary, secondary and post-secondary non-tertiary levels than at the tertiary level. On average, more than 50% of the initial public funds for these levels of education comes from the central government in OECD countries, compared with 87% for tertiary education.

At the primary, secondary and post-secondary non-tertiary levels of education, only New Zealand has an entirely centralised public funding system, while nine countries (Chile, Estonia, Hungary, Iceland, Ireland, the Netherlands, New Zealand, Norway and the Slovak Republic) have an entirely centralised funding system for tertiary education.

Trends

Over the past 15 years (1995-2010), public spending on all levels of education has increased slightly in two-thirds of countries with available data. But in the period between 2005 and 2010, public spending on education as a percentage of total public spending decreased in just under two-thirds of countries with available data. The decrease was especially substantial (1 percentage point or more) in Hungary, Iceland, Ireland, Mexico, Norway, Poland, Slovenia and the United States.

Definitions

Data refer to the financial year 2010 and are based on the UOE data collection on education statistics administered by the OECD in 2012. Total public expenditure, also referred to as total public spending, corresponds to the non-repayable current and capital expenditure of all levels of government: central, regional and local. It includes direct public spending on educational institutions as well as public support to households (e.g. scholarships and loans to students for tuition fees and student living costs) and to other private entities for education (e.g. subsidies to companies or labour organisations that operate apprenticeship programmes).

Information on data for Israel:
<http://dx.doi.org/10.1787/888932315602>.

Going further

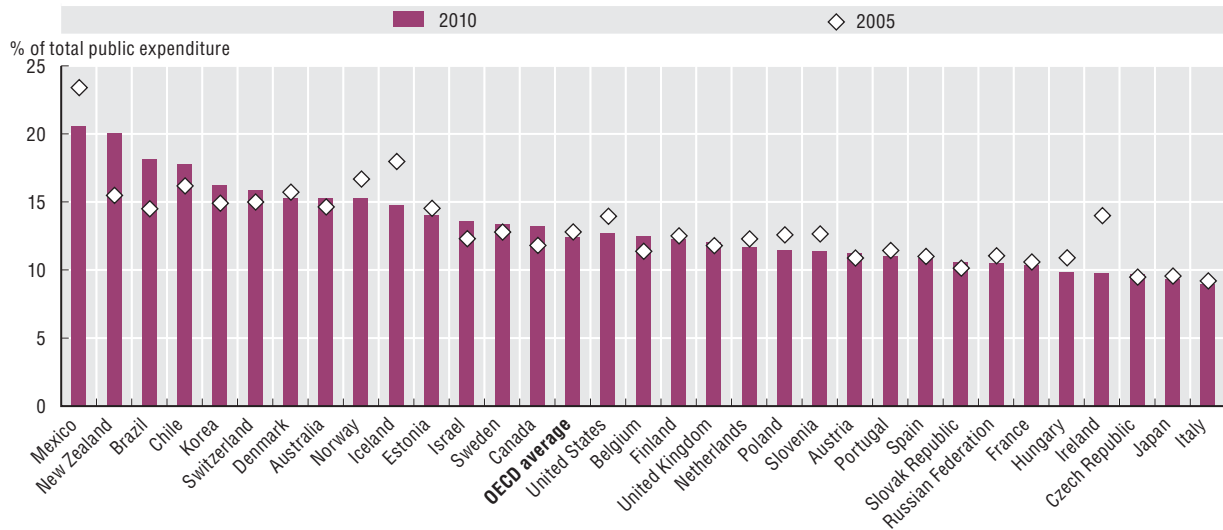
For additional material, notes and a full explanation of sourcing and methodologies, see *Education at a Glance 2013* (Indicator B4).

Areas covered include:

- Distribution of total public spending on education.
- Initial sources of public educational funds and final purchasers of educational resources by level of government (online).

Figure 4.5. Trends in public spending on education as a percentage of total public spending (2005, 2010)

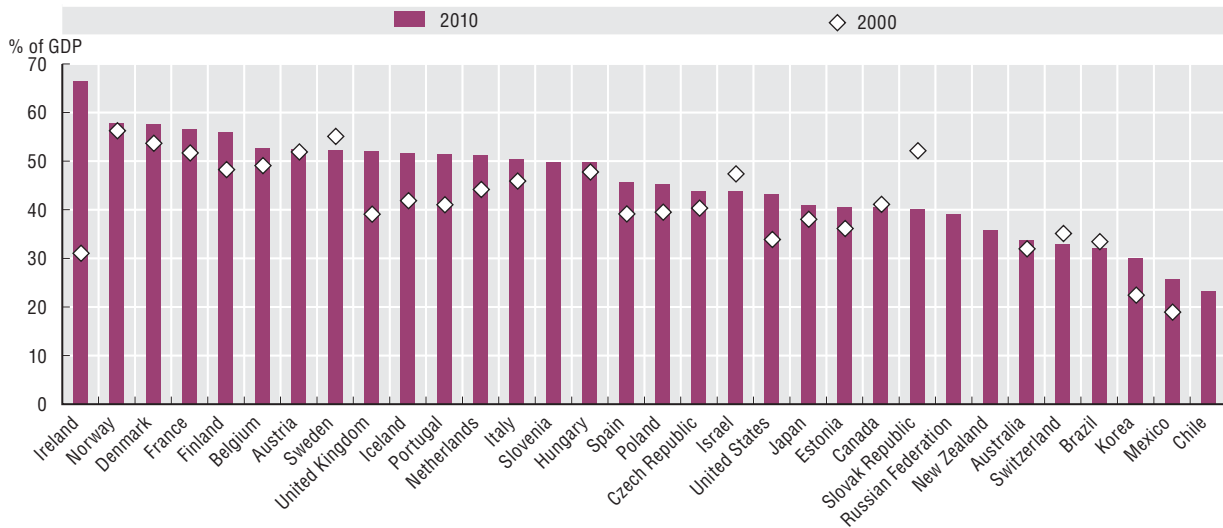
This figure shows total public spending on education (which includes spending on educational institutions and spending such as public subsidies to households), as a percentage of total public spending, and how it has evolved.



Source: OECD (2013), Education at a Glance 2013, Chart B4.1, available at <http://dx.doi.org/10.1787/888932847032>.

Figure 4.6. Total public spending as a percentage of GDP (2000, 2010)

This figure shows the size of public spending as a percentage of the overall economy. These data provide context for examining the proportion of public spending that is devoted to education.



Source: OECD (2013), Education at a Glance 2013, Chart B4.2, available at <http://dx.doi.org/10.1787/888932847051>.



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