

# How do public and private schools differ in OECD countries?





- In 2021, 18% of students from pre-primary to upper secondary level were enrolled in private schools in OECD countries. Enrolment in private schools was more common in pre-primary and upper secondary education than in other levels of education.
- Private schools are mostly state funded, with government funding accounting for 58% of total funding on average in upper secondary education. However, this figure masks major differences between OECD countries.
- Private schools enjoy greater autonomy and suffer fewer shortages of teachers and
  educational material than public schools. They were generally better in responding
  flexibly to the COVID-19 pandemic. However, in many countries private schools
  contribute to social segregation by enrolling a greater share of students from advantaged
  backgrounds.
- In most countries, the performance advantage of 15-year-old students enrolled in private schools over their publicly educated peers disappears once their socio-economic background and the profile of their school are taken into account.

#### Introduction

Private schools are part of the educational landscape in all OECD countries, coexisting and evolving alongside public schools. They are often the subject of controversy, particularly when their educational performance is compared with that of public schools, with debates over how they are funded (sometimes largely by public authorities), the autonomy they may enjoy, or how they contribute to the goals of inclusion and equity in education.

The nature of private schools varies from country to country (see Box 1). In some countries, most private schools are associated with a particular religion or religious denomination and have historical roots, as is the case in Belgium, France and the Netherlands. Other private schools may have emerged more recently to offer parents a wider choice of schools for their children, as in Sweden, or simply to cope with the rapid expansion of education systems, as is the case with pre-primary education in many OECD countries.

# Nearly one-fifth of all students attend private schools in OECD countries, from pre-primary to upper secondary education

In total, 44 million students in OECD countries (or 18% of all students) were enrolled in private schools in 2021, from pre-primary to the end of secondary education. However, this figure masks major differences between countries, depending on the level of education considered. In general, the share of students enrolled in private schools increases with each level from primary onwards. The OECD average rises from 12% at primary level to 15% at lower secondary and 20% in upper secondary education. At upper secondary level, more than 40% of students are enrolled in private schools in Australia, Belgium, Chile, Korea and the United Kingdom.

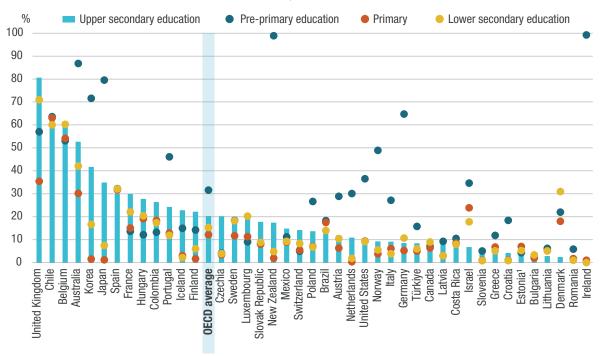
Another overall trend is that, in most countries, private institutions account for a significantly higher share of enrolment in pre-primary education than for primary and secondary education. On average, around one-third of children enrolled in pre-primary education are in private schools, although the share ranges from 4% or less in Bulgaria and Czechia to 99% in Ireland and New Zealand (Figure 1).

Contrary to the popular belief that private school enrolment is on the rise, the share of students enrolled in private schools has remained largely constant over the last decade. For instance, at upper secondary level, only two countries saw the share of students enrolled in private schools increase by more than 5 percentage points between 2015 and 2021: Australia, where it rose from 40.5% to 52.7%, and Czechia, where it rose from 14.7% to 20.2%.



Figure 1. Share of students enrolled in private schools, by level of education (2021)

In per cent



Countries are ranked in descending order of the share of students enrolled in private schools in upper secondary education. Source: Education at a Glance database.

#### Box 1. How private schools are defined in the OECD's Education at a Glance?

An institution is classified as private if its overall control and management rest with a nongovernmental organisation (e.g. a church, trade union, business enterprise or foreign or international agency) and if most of the members of its governing board are not selected by a public agency. The terms "government-dependent" and "independent" are often used in Education at a Glance to distinguish private institutions. They only reflect the degree to which private schools are dependent on funding from government sources, not the degree of government direction or regulation. A government-dependent private institution is a private institution that receives 50% or more of its core funding from government agencies, or one whose teaching personnel are paid by a government agency or by government directly. An independent private institution is a private institution that receives less than 50% of its core funding from government agencies and whose teaching personnel are not paid by a government agency.

### Even private schools rely on government sources for much of their funding

Comparing the financing of public and private schools is illuminating. Public schools are, as might be expected, overwhelmingly publicly funded, in line with the principle that the provision of education should be a central task of the state. Only in Slovenia and New Zealand does the private sector account for more than 10% of funding for public upper secondary schools.

More surprisingly, private schools are also largely publicly funded, with only 42% of funding at upper secondary level coming from private sources on average, although there are significant differences between countries (Figure 2). In general, more than 75% of total private funding comes from tuition fees paid by families, with the exception of Czechia, Denmark, Israel, Norway, the Republic of Türkiye and the United Kingdom.

Just as private schools differ in their origins and objectives, they also differ in the way they are financed. They can be government-dependent or independent, depending on the degree of government funding (Box 1), with no single model predominating among OECD countries. In some countries, such as Belgium, Finland, Romania and Sweden, both public and private schools are financed and operate in the same way, and the teachers they employ are paid by the public authorities. For example, public and private schools have similar levels of autonomy in Belgium, and the criteria for allocating students between public and private schools are identical. In Sweden, a voucher system has been implemented, where government funding is attached to individual students. Students can then use these vouchers to attend either public or private schools.

In other countries, government funding of private schools is more limited, either because private schools are very few in number and very independent, as in Estonia and Slovenia, or because their teaching staff are not paid by a government body and public funds are therefore concentrated in the form of grants and subsidies to enable disadvantaged students to attend private schools, as in Canada and the United

% Public schools Private schools 100 90 80 70 60 50 40 30 20 10 Hungary Poland Slovenia Spain Israel Austria Denmark Estonia Australia Croatia Latvia Canada Solombia ithuania Norway

Figure 2. Share of government funding in upper secondary education, by type of school (2020) In per cent

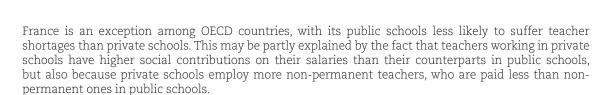
Szech Republic Jnited Kingdom \_uxembourg **OECD** average Slovak Republic New Zealand United States

Countries are ranked in descending order of the share of government funding in the financing of private schools in upper secondary education. Source: Education at a Glance database.

# Private schools enjoy greater autonomy and suffer fewer shortages than public schools ...

According to PISA 2022, private schools generally coped better with the COVID-19 pandemic than public ones, by adapting more quickly to new circumstances. Unsurprisingly, in the vast majority of education systems, private schools also enjoy greater autonomy than public schools. According to the school principals surveyed in the OECD's Programme for International Student Assessment (PISA) in 2022, this applies to both their management of human and material resources and their choice of curriculum. Among OECD countries, Belgium, Korea and the Netherlands show the smallest differences in these areas. In the Netherlands, the similarity between private and public schools is due to the high levels of autonomy enjoyed by public schools, while in Belgium and Korea it relates to the limited autonomy granted to private schools (OECD, 2023<sub>[1]</sub>).

Teacher shortages were also more frequent in public schools than in private ones in two-thirds of OECD countries according to the school principals surveyed in PISA 2022. The greatest disparities in this area were in Colombia, Greece, New Zealand, Portugal and Türkiye.

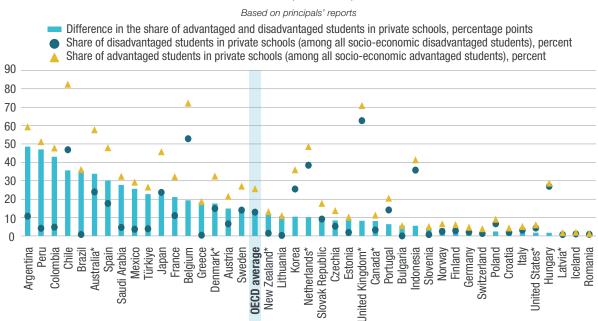


PISA 2022 also found disparities in material and educational resource shortages between public and private schools, with private schools generally better resourced than public schools. In fact, there are no OECD countries where principals in public schools report fewer shortages of teaching materials than those in private ones (OECD, 2023<sub>11</sub>).

## .... but do not always contribute to social diversity objectives

Private schools can contribute to social segregation by concentrating students from similar backgrounds and creating bubbles of limited socio-economic diversity. According to PISA 2022, on average across OECD countries, about 26% of socio-economically advantaged students were enrolled in private schools, compared to only 13% of their disadvantaged peers. The largest differences related to students' socio-economic status tended to be in Latin American countries, such as Argentina, Brazil, Chile, Colombia and Peru. Interestingly, in Hungary, where many schools are managed by the private sector, there was almost no difference in private school enrolment rates between students with advantaged and disadvantaged backgrounds (Figure 3).

Figure 3. Share of advantaged and disadvantaged 15-year-old students enrolled in private schools (PISA 2022)



**Note:** A socio-economically disadvantaged (advantaged) student is a student in the bottom (top) quarter of the PISA index of economic, social and cultural status (ESCS) in his or her own country.

Countries are ranked in descending order of the difference in percentage points in the share of advantaged and disadvantaged students enrolled in private schools.

Source: OECD (2023<sub>(1)</sub>), PISA 2022 Results (Volume II): Learning During – and From – Disruption, https://doi.org/10.1787/a97db61c-en.

This overall result is prompting many countries – Chile, France, New Zealand, the United Kingdom and the United States, to name but a few – to consider how to increase social diversity and get more disadvantaged students enrolled in private schools. In Chile, for example, until 2016, private providers had to ensure that at least 15% of students came from a disadvantaged background in order to receive funding. Since then, regulations have been tightened, and a law on inclusion (*Ley de Inclusión*) adopted after 2016 aims to go beyond imposing quotas and ensure that school choice does not depend on other potentially discriminatory factors, such as families' ability to pay, or students' results from their previous schooling.

# Private schools do not outperform public ones once socio-economic factors have been taken into account

It is interesting to note that PISA 2022 shows no relationship between a country's performance in mathematics or reading and the share of its students enrolled in private schools (i.e. the correlation between these variables is almost zero). This means that a well-developed network of private schools in a country does not necessarily lead to a better education system, and nor does the lack of such a network lead to a worse one.

Comparing the educational performance of students enrolled in public and private schools sheds further light on this issue. At first glance, the picture is clear: students enrolled in private schools score 24 points higher in mathematics in PISA 2022 than those in public schools (where a difference of 20 points is equivalent to approximately one year of school). However, that is before the socio-economic profiles of both students and schools are taken into account. Once they are, the private school advantage disappears; indeed, in mathematics, students in public schools score 11 points higher on average than those in private schools. Only in Finland and Canada do private schools maintain an advantage over public ones even after accounting for students' socio-economic background.

These results suggest that the better performance achieved by private schools over public ones is not necessarily linked to a better quality of education in private schools, but rather to an over-representation of privileged groups and often a school climate more conducive to learning.

## The bottom line

Private schools cater for around 1 in 5 students from pre-primary to the end of secondary education, a share that has not changed materially since 2015. They enjoy greater autonomy, suffer fewer shortages of all kinds and handled the COVID-19 pandemic better than public schools. Although their students achieved better results in PISA 2022 in many countries, this is mainly because they enrol more students from advantaged socio-economic backgrounds than their public counterparts. The main challenge in many countries today is to increase the social mix in public and private schools, which is why many efforts have been made in this direction over the past decade.

#### **REFERENCES:**

[1] OECD (2023), PISA 2022 Results (Volume II): Learning During – and From – Disruption, Chapter 6, OECD Publishing, Paris, <a href="https://doi.org/10.1787/a97db61c-en">https://doi.org/10.1787/a97db61c-en</a>.

VISIT <u>www.oecd.org/education/education-at-a-glance-19991487.htm</u>

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CONTACT:

Eric CHARBONNIER (Eric.Charbonnier@oecd.org)

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