

Education at a Glance 2006

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OECD Briefing Note for Japan

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A high percentage of individuals in Japan complete upper secondary education.

- The proportion of individuals in the population who have successfully completed upper secondary education has been rising in almost all OECD countries, and rapidly in some. In more than half of all OECD countries the proportion of 25-to-34-year-olds with upper secondary qualifications now exceeds 80%, and in Canada, the Czech Republic, Japan, Korea, Norway, the Slovak Republic and Sweden it exceeds 90% (Table A1.2a). Ranked by upper secondary educational attainment in the population, Japan occupies the 10th position among 55-to-64-year-olds in the 30 OECD countries (*i.e.* those who completed school some 40 years ago) and the 3rd position among 25-to-34-year-olds, who completed school a decade ago (Table A1.2a).
- Japan's position on schooling outcomes is not only strong in quantitative terms, but the OECD PISA assessment of the knowledge and skills of 15-year-olds in key subject areas shows Japan also as one of the best-performing countries in terms of the quality and equity of schooling outcomes (Indicators A4, A5 and A6).
- 89% of males (OECD average 82%) and 60% of females (OECD average 65%) Japanese with an upper secondary qualification are in employment. For those without an upper secondary qualification, it is only 79% of males (OECD average 72%) and 53% of females (OECD average 49%) (Table A8.1a).

In most countries, educational participation has continued to rise, and most young people can now expect to undertake some tertiary education during their lives.

- In terms of the proportion of young persons with university or equivalent vocational qualifications, Japan now performs at rank 2 among the 30 OECD countries, up from rank 14 two generations ago: 52% of 25 to 34-year-olds have acquired a qualification at the Tertiary-Type A or Tertiary-Type B level compared with 31% at the OECD average level (Table A1.3).



- When looking at university qualifications alone Japan performs, with 26% of 24 to 35-year-olds having a Tertiary-Type A qualification, at rank 10. Projections suggest that past educational output in Japan will, in the medium term, contribute to a further expansion of the already very high “market share” of 35-to-64-year-old graduates from Japan in the OECD area from 11.6% in 2004 to 12.1% in 2014 (Table A1.4).

...is likely to decline in relation to other OECD countries.

- However, with 36% of the typical age cohort completing a full length first higher education course (“Type A” in the international classification), the current output of universities in Japan is just slightly above the OECD average (35%), which corresponds to rank 13 among the 30 OECD countries.
- Current enrolment rates suggest that more countries are likely to catch up and surpass graduation rates in Japan. The increase in tertiary enrolment in Japan between 1995 and 2003, which will influence future graduation rates, was, at 23%, considerably below the OECD average increase of 38% (Table B1.5) and well below increases in Australia, the Czech Republic, Greece, Hungary, Ireland, Korea, Mexico, Poland, Portugal, the Slovak Republic and Sweden, that ranged from 33% to 169% during the same period.

53% of today’s young people in OECD countries and 43% of today’s young Japanese will enter a university level or equivalent programme during their lifetime.

- An examination of today’s entry rates in universities underlines this trend. On average across OECD countries, 40% of an age cohort entered tertiary-type A programmes in 1998 and this proportion rose to 53% in 2004. Over the same period entry rates in Japan rose only by 7 %, from 36% to 43% (Table C3.1, *Education at a Glance 2000*; Table C2.1, *Education at a Glance 2006*).

Japanese higher education students are more much more likely to complete their university programme.

- In comparing these figures, it needs to be taken into account that a much higher proportion (91%) of those who enter university in Japan completes their degree successfully than is the case at the OECD average level (70%). In fact, the Japanese “survival rate” is by far the highest of all OECD countries (Table A3.2), providing evidence for the internal efficiency of the Japanese university system.

Higher education pays off in most countries and...

- The labour-market and financial incentives for attaining tertiary qualifications continue to remain high for both men and women, despite the rapid growth in qualifications. This can be seen when contrasting the advantages of tertiary education for individuals in terms of higher average earnings, lower risks of unemployment and the public subsidies they receive during their studies, with the costs that individuals incur when studying, such as tuition fees, lost earnings during studies and higher tax rates later in life. In all countries with comparable data, the private rate of return for those who acquire tertiary degrees immediately following school is higher than real interest rates, and often significantly so. In all eleven countries for which data are available – with the exceptions of Denmark, New Zealand and Sweden – the private rate of return for both males and females is at least 9.8% (Table A9.6).



...rising levels of tertiary attainment seem not to have led to an “inflation” of the labour-market value of qualifications.

- Rising tertiary education levels among citizens seem generally not to have led to an “inflation” of the labour-market value of qualifications. Among the countries in which the tertiary attainment grew by 5% or more between 35-to-44-year-olds and 25-to-34-year-olds, Spain is the only country in which the rapid expansion in tertiary attainment was associated with a significant decline in the wage premium that tertiary attainment attracts during the period 1997 to 2004 (Tables A1.3 and A9.2a).

The internationalisation of tertiary education is proceeding rapidly and Japan remains one of the more prominent destinations.

- Japan has become one of the more attractive destination for international students with now 4% of foreign students worldwide enrolled in Japan. This is the 7th rank among OECD countries, after the United States (22%), the United Kingdom (11%), Germany (10%), France (9%), Australia (6%) and Canada (5%), but Japan stands ahead of the remaining OECD countries (Chart C3.2 and Web-based Table C3.8). The rate of internationalisation has increased by 77% since 2000 compared to 61% at the OECD average, which indicates that Japan is slowly catching up
- However, when comparing the number of international students to total enrolment in tertiary education, there are only 2.7% of international students in total enrolments at tertiary level. This is significantly less than the OECD average of 6.5% (Table C3.1).
- The average level of fees charged to students in Japan is around 4,000 USD per year in PPP terms, much lower than in the United States (USD 12,000), in Australia (USD 11,000) and in Canada (USD 8,000) (Box C3.3 and Table B5.1).

The large majority of the Japanese intake of foreign students comes from other Asian countries and international students are mostly attracted by social sciences, business and law as well as humanities and arts programmes.

- 94.3% of foreign students enrolled in tertiary education in Japan come from Asia, including 64.6% from China and 19.7% from Korea. Outside of Asia, the main geographic regions of origin are Europe (2.2%) and North America (1.3%) (Table C3.2).
- It is noteworthy that international students in Japan enrol in significant numbers in social sciences, business and law (33% of the total) as well as humanities and arts programmes (26% of the total) (Table C3.5).

Japan is devoting a roughly constant but fairly low share of GDP to education...

- OECD countries are expanding the scope of their education systems, but at the same time trying to contain costs in the context of hard-pressed public budgets. Conflicting pressures have produced varying trends across OECD countries. Spending on educational institutions in Japan increased slightly from 4.7% of GDP in 1995 and 2000 to 4.8% in 2003, a value that remains well below the OECD average of 5.9%. Tendencies in this area vary across OECD countries between increased, constant and decreased spending (Chart B2.1 based on Table B2.1a).

...while the educational share in the public budget decreased slightly.

- A somewhat different picture emerges when examining the share of public expenditure that is devoted to education. Between 1995 and 2003, the share of all public spending that is devoted to educational institutions, or paid in the form of subsidies to households,



decreased in Japan from 11.1 to 10.7% (the OECD average increased by 1.3 percentage points) (Table B4.1).

A growing part of the resources is invested in tertiary education.

- A growing part of the resources is invested in tertiary education, where expenditure increased between 1995 and 2003 by 39%, while spending on school education increased by only 6%. Both changes in expenditure remain below the OECD average increases at 46% and 33% respectively (Table B1.5).

An above-average share of spending on education comes from private sources and...

- The relative proportions of public and private funding for educational institutions range from 98.4% public in Norway to 60% public and 40% private in Korea. Japan's funding was 74.1% public and 25.9% private in 2003 (Table B3.1), putting it in the 4th place ranked by the highest private proportion after Australia, Korea and the United States. Note that private spending originates both in households and other private entities and can go to private as well as public institutions.

...the private share is especially high for tertiary education.

- Looking at the different levels of education separately gives a more precise picture. Spending on educational institutions providing pre-primary education is 49.4% private in Japan, significantly above the OECD average of 18.5% (Table B3.2a). Spending on educational institutions providing primary and secondary education is 8.7% private in Japan, also above the OECD average of 7.4% (Table B3.2a). The difference is even more pronounced when considering spending on tertiary education, with a public share of 39.7% (OECD average 76.4%) and a private share of 60.3% (OECD average 23.6%) (Table B3.2b).

Private spending continues to rise...

- At educational institutions providing primary and secondary education, private spending in Japan rose from 8.3% to 8.7% between 1995 and 2003 (Table B3.2a) and private spending at the tertiary level of education saw an increase from 58% to 60.3% (Table B3.2b).

...even if increased private spending has not seen a contraction of public funds.

- As in all OECD countries, rising private expenditure on educational institutions has not implied a contraction of public expenditure. However, public spending on education in Japan rose by only 9% (compared with a 17% increase in private spending) between 1995 and 2003 (Table B2.2).

At primary, secondary and tertiary levels, spending per student is above the OECD average...

- To assess their potential impact on the quality of educational services, the resources invested in education need to be seen in relation to the number of students enrolled. On that measure, spending per student across all levels of education (excluding pre-primary education) in Japan is, at USD 7,789 (equivalent), above the OECD average of USD 6,827. Spending per student at primary (USD 6,350) and secondary (USD 7,283) levels is above the corresponding OECD averages (USD 5,450 and USD 6,962 respectively). At USD 11,556, spending at the tertiary level also exceeds the OECD average of USD 11,254 (Table B1.1a).



...while spending on the pre-primary level remains below the OECD average.

- Japan spends only USD 3,766 per child at the pre-primary level, a low investment compared to the OECD average spending per child of USD 4,508 (Table B1.1). Yet the rate of participation of 4-year-olds and under as a percentage of the 3-to-4-year-old population, at 81.4%, is significantly higher than OECD average of 66.3% (Table C1.2). This leads to a high average ratio of 17.7 students to teaching staff, taking 6th place behind France, Korea, Mexico, Switzerland and Turkey out of the 24 OECD countries with available data (Table D2.2).

For primary and secondary education, where in some countries including Japan demography has caused a fall in enrolments, spending per student rose in all countries, and often much faster than in Japan.

- Different supply and demand factors have influenced variation in spending per student across countries. In Japan, spending on primary and secondary education increased by only 6% while enrolments fell by 16%, one of the highest decreases among the OECD countries. These factors taken together result in a spending increase per student of 27% between 1995 and 2003, which is however still significantly less than the OECD average increase of 33% in per-student spending (Table B1.5).

Despite above average spending per student, class sizes in primary and lower secondary schools remain very large in Japan ...

- Despite above average spending per primary-level student, Japan has, with 28.6 students per class, one of the largest average class sizes at the primary level of education, second only to Korea, and in all but nine countries there are between 16 and 21 students per primary-level class (the OECD average is 21.4) (Table D2.1).
- Similarly, in lower secondary education there are on average 33.8 students per class in Japan, far above the OECD average of 24.1. Of the 21 countries for which comparable data are available, only Korea has an even higher average class size at the lower secondary level (Table D2.1).

...which is, in part, accounted for by comparatively high teacher salaries.

- One explanatory factor for this are comparatively high teacher salaries. At USD 45,753 for a primary school teacher with minimum training and 15 years of experience, Japan comes 5th among OECD countries behind Germany, Korea, Luxembourg and Switzerland. A teacher working in lower secondary education who has minimum training and 15 years of experience earns on average USD 45,753, putting Japan in 5th place behind Germany, Korea, Luxembourg and Switzerland (Table D3.1).

The annual instruction time is slightly below the OECD average ...

- The annual compulsory instruction time for a 7-to-8-year-old varies between 981 hours in Australia and 530 in Finland, with the OECD average level being 758 hours. The corresponding Japanese time is, at 712 hours, below the average. This situation is similar at the secondary level of education (Table D1.1).

...the teaching load for teachers is comparatively low while teacher's total working time is high.

- The net teaching time for Japanese primary school teachers is, at 648 hours per year, far below the OECD average of 805 hours and only primary school teachers in Denmark and Turkey spend less hours a year teaching. However, the total statutory working time of Japanese primary school teachers is, at 1960, the highest of all 18 countries with



comparable data and significantly above the OECD average of 1698 hours (Table D4.1). Japanese primary school teachers spent the comparatively lowest part of their working time actually teaching (Chart D4.3). This situation is similar at the secondary level of education (Table D4.1).

In tertiary education, an above-average increase in spending per student is partly due to a low increase in student enrolment.

- At the tertiary level, a below-average increase in spending in Japan (39%) can possibly be explained by an even lower increase in student enrolment (23%), such that spending per student increased by 14% between 1995 and 2003. A good result compared to the average OECD increase of spending per tertiary student by 6% over the same period (Table B1.5).
- In the same context, in Japan the student to teacher ratio at tertiary level of 11 is also better than the OECD average of 15.5 (Table D2.2).

Across OECD countries, significant progress has been achieved in reducing the gender gap in educational qualifications.

- The balance of educational attainment between males and females in the adult population remains unequal in most OECD countries. However, significant progress has been achieved in recent decades in reducing the gender gap in formal educational qualifications. For the generation aged 45 to 54 years, the difference expressed in average duration of formal study favours females in only eight countries and for the generation around 60 years of age this difference favours females in only three countries. In contrast, the situation of the generation aged 25 to 34 years testifies to a complete inversion. For those around 30 years old, the average number of years of study completed is higher among females in 20 out of the 30 OECD countries, while in the remaining countries the differences between the genders are generally small (Table A1.5).

In most OECD countries the gender balance of university graduates has evened out...

- An examination of today's graduate patterns shows that, overall, secondary education graduation rates no longer show significant differences between males and females in half of the OECD countries with available data. In fact, graduation rates for females exceed or equal those for males in all 22 OECD countries for which total upper secondary graduation rates can be compared between the genders (Table A2.1).

...while the rate of female university graduates in Japan remains significantly below the OECD average.

- In Japan, the percentage of females obtaining tertiary-type A education are below the OECD average for all fields of study. Only 31% of graduates in life sciences, physical sciences and agriculture are females in Japan, whereas the OECD average level is 51%. For all fields of education combined, the OECD average percentage of female graduates of tertiary-type A programmes is 54%, while in Japan the same level is only 40%, the lowest of all 27 countries with comparable data (Web based Table A3.4). **Check figures**

Large gender differences in educational attainment remain between the fields of university studies across OECD countries.

- However, significant variation still exists across fields of education at the tertiary level. While in the humanities, arts, education, health and welfare, more than two-thirds of university-level graduates are females, on average in OECD countries, less than one-third



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of mathematics and computer science, engineering, manufacturing and construction graduates are females (Web based Table A3.4).

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