# COUNTRY NOTE



# Education at a Glance: OECD Indicators

2012

# **MEXICO**

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Questions can be directed to:

Andreas Schleicher, Advisor to the Secretary-General on Education Policy, Deputy Director for Education

Email: Andreas.Schleicher@OECD.org

Telephone: +33607385464

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## **KEY FINDINGS**

- Since making pre-primary education compulsory in 2009, Mexico has achieved one of the highest enrolment rates of four-year-old children among OECD countries, but high student-teacher ratios pose significant challenges for early childhood education and care.
- Graduation rates at the upper secondary level increased by 14 percentage points between 2000 and 2010 (compared with an OECD average increase of 8 percentage points); however, only 47% of students are expected to graduate.
- The percentage of 15-29 year-olds who are neither in education nor employed (NEET) is the third highest in the OECD area, but this proportion was relatively unaffected by the economic crisis. In Mexico, women are three times more likely than young men to be NEET, the higest ratio in the OECD area after Turkey. This may reflect the large share of women who are neither in education nor employed because they are raising families.
- Expenditure on education grew between 2008 and 2009 despite a decrease in GDP. Most spending is allocated to staff compensation.

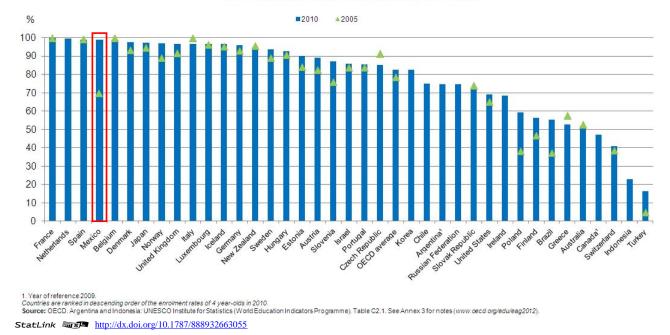
## Mexico has one of the highest enrolment rates of four-year-olds among OECD countries...

Enrolment in early childhood education has been associated with better performance later on in school (PISA 2009) and can also mitigate social inequalities and promote better student outcomes overall. In a majority of OECD countries, most children begin education before they are five years old. In Mexico, 99% of four-year-olds participated in education in 2010 (Mexico ranks 4 of 38 countries in this regard), a jump of 29 percentage points since 2005, when Mexico ranked 21 of 30 countries (Table C2.1 and Chart C2.1). A 2002 reform made pre-primary education compulsory as of academic year 2008-09.

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Chart C2.1 Enrolment rates at age 4 in early childhood and primary education (2005 and 2010)

Full-time and part-time pupils in public and private institutions



Mexico spent 0.6% of its GDP on early childhood education in 2010, above the OECD average of 0.5%. Moreover, Mexico also had the highest student-teacher ratio in early childhood education among OECD countries (more than 25 students per teacher) and the lowest absolute expenditure per child in 2009 (USD 2 158) (Table C2.2).

#### ...and nearly universal enrolment in primary and lower secondary education.

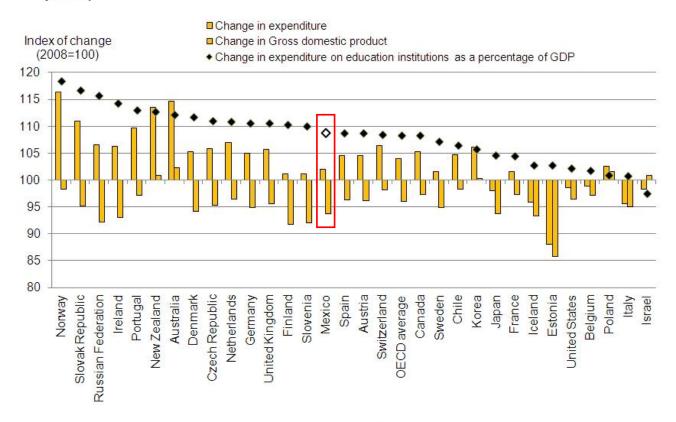
As in other OECD countries, close to 100% of 5-14 year-olds participate in education. This age group reached its maximum in 2007; now there are more 15-19 year-olds in Mexico than ever before in the country's history. As a result of the relative decline in the population of 5-14 year-olds, Mexico now has a unique window of opportunity to improve the quality of primary and lower secondary education in the coming years (Table C1.1a).

## Expenditure kept growing despite a decrease in GDP between 2008 and 2009...

Mexico increased its expenditure per student from primary to tertiary education by 14% between 2000 and 2009, but this was less than the average increase of 30% across OECD countries. (Tables B1.5 and B2.1).

As in most OECD countries, expenditure on education grew between 2008 and 2009, even as GDP was already contracting as a result of the economic crisis. Mexico spent 6.2% of its GDP on educational institutions in 2009 – in keeping with the OECD average, as it has been since 2005 and 2000 when Mexico spent 5.9% and 5.0% of its GDP, respectively, on educational institutions, compared to 5.8% and 5.3%, on average, in OECD countries.

Chart Box B2.1. Index of change between 2008 and 2009 in expenditure on educational institutions as a percentage of GDP, for all levels of education (2008=100, constant prices)



Countries are ranked in descending order of the change in expenditure on educational institutions as a percentage of GDP. Source; OECD. See Annex 3 for notes (www.oecd.org/edu/eag2012).

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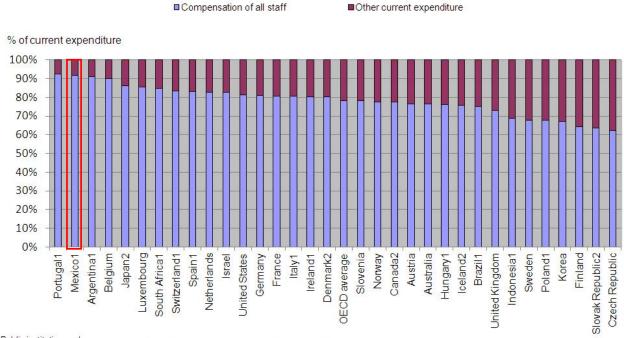
## ...This implies a high budgetary effort; most resources are spent on staff compensation.

Mexico has a relatively low total public expenditure on all services – 26.2% of GDP, the second lowest among OECD countries after Chile – compared to 45.2% of GDP on average among OECD countries and 34% in Brazil (Table X2.1). And 20.3% of total public expenditure goes to education – the second highest percentage after New Zealand (Table B4.1). However, expenditure per student from primary to tertiary education remains the lowest among OECD countries (USD 2 875) even if it is higher than in Brazil, Indonesia and South Africa (Table B1.1a).

Among OECD countries, Mexico spends the second highest amount of current expenditure to compensate staff (91.7%) below tertiary education. As in other countries, these resources are mostly devoted to teachers' salaries (62% on average in OECD compared to 15.5% for other staff salaries); but in Mexico, the difference between compensation for teachers and for other staff is 68 percentage points – the widest difference among OECD countries (the OECD average difference is 47 percentage points) (Table B6.2).

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Chart B6.1. Distribution of current expenditure by educational institutions for primary, secondary and postsecondary non-tertiary education (2009)



1. Public institutions only

Some levels of education are included with others. Refer to "x" code in Table B1.1a for details.
 Countries are ranked in descending order of the share of compensation of all staff in primary, secondary and post-secondary non-tertiary education.
 Source: OECD. Argentina, Indonesia: UNESCO Institute for Statistics (World Education Indicators Programme). South Africa: UNESCO Institute for Statistics. Table B6.2.
 See Annex 3 for notes (www.oecd.org/edu/eag2012).

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#### Upper secondary attainment has doubled over the past five decades...

The population that has attained upper secondary education has doubled from 23% of 55-64 year-olds to 44% of 25-34 year-olds. A similar evolution can be seen at the tertiary level, with only 12% of 55-64 year-olds having attained tertiary education while 22% of 25-34 year-olds have done so. Still, attainment rates are some of the lowest among OECD countries: lower than Chile's at both levels of education, and lower than Brazil's in upper secondary education. The gap between Mexico's attainment rates and those of other OECD countries is narrowing gradually, but is still large (Tables A1.2 and A1.3).

#### ...but participation rates remain low among older Mexicans.

Fewer than half of the children who started school in 2010 are expected to graduate at the upper secondary level (47%), the lowest graduation rate among OECD countries. Only 54% of upper secondary students complete their studies within the theoretical duration of their programmes, compared to 70%, on average, in other countries (Table A2.1 and A2.5).

Only 54% of 15-19 year-olds in Mexico are enrolled. While that figure is 12 percentage points higher than in 2000, it is low compared to Brazil (76%), Chile (75%) and the OECD average (83%). Only 12% of Mexicans aged between 20 and 29 participate in education; that is only 3 percentage points higher than in 2000, and around half of the proportion of 20-29 year-olds enrolled in Chile (25%), Brazil (20%), and on average across OECD countries (27%).

As a result of a reform of upper secondary education adopted in 2012 that aims to unify programmes and allow more flexible pathways through education, graduation from upper secondary school and enrolment rates among 15-19 year-olds are expected to increase in the coming years. Upper secondary education is compulsory starting from academic year 2012-13. The objective is to achieve universal coverage by 2022.

## Transition to work is not always easy...

In contrast to most countries, unemployment rates for Mexicans increase with better education. This pattern is common to Chile, Brazil, Greece, Korea and Turkey, where unemployment is higher for those with upper secondary education than for those with less education. However, in 2010, Mexico was the only country where the unemployment rate among tertiary-educated individuals was higher (5%) than it was for those who had attained an upper secondary education (4.6%) and those who had not attained an upper secondary education (4%). But this does not mean that education offers a low return on investment: the earnings premium for tertiary education in Brazil, for example, is the highest of all reporting countries, more than 200% higher for adults with tertiary education compared to those who have not attained upper secondary education and more than 70% higher in Greece, Korea and Turkey (Tables A7.4a and A8.1).

Still, this pattern of unemployment rates has remained stable for more than a decade in Mexico, suggesting on the one hand a potential skills mismatch between the demands of the labour market and the supply of graduates and, on the other hand, a higher demand for low-wage employees.

## ...and a significant share of young Mexicans is neither in education nor employed.

Almost a quarter of 15-29 year-olds is neither in education nor employed (NEET). This figure is the third highest among OECD countries, behind Turkey and Israel. Some 18.6% of 15-29 year-old Mexicans are NEET while 30% of 25-29 year-olds are (Table C5.4a). In contrast to other OECD countries, these levels have remained stable for more than a decade (25.2% of 15-29 year-olds in 1998, 24.9% in 2005, and 24.4% in 2010).

Table 1. Trends in the percentage of the youth population neither in education nor employed in Mexico (1997-2010)

Age group		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
15-29	M+W	25.4	25.2	24.1	24.6	24.6	24.2	24.8	24.2	24.9	24.2	24.2	23.9	24.8	24.4
	Men	6.6	6.5	5.3	6.2	6.0	6.4	6.9	6.8	8.8	8.7	9.1	9.0	10.7	11.0
	Women Ratio % of Women to	42.6	42.7	41.6	41.7	41.7	40.6	41.6	40.4	39.8	38.2	37.7	37.5	38.1	37.2
	% of Men	6.5	6.6	7.8	6.8	7.0	6.4	6.0	5.9	4.5	4.4	4.1	4.1	3.6	3.4
25-29	M+W	30.3	30.6	30.1	30.2	31.0	30.6	31.0	30.3	31.5	30.1	30.6	29.5	30.4	29.8
	Men	4.6	5.2	4.3	4.2	4.7	4.8	5.2	5.5	7.5	7.9	7.8	7.8	9.7	10.4
	Women Ratio % of Women to	52.9	53.5	53.5	52.9	54.1	52.6	53.1	52.1	52.5	49.2	49.5	48.2	48.9	47.3
	% of Men	11.4	10.4	12.4	12.6	11.5	11.0	10.2	9.5	7.0	6.2	6.3	6.2	5.1	4.6

Source: Tables C5.4a, C5.4b and C5.4c

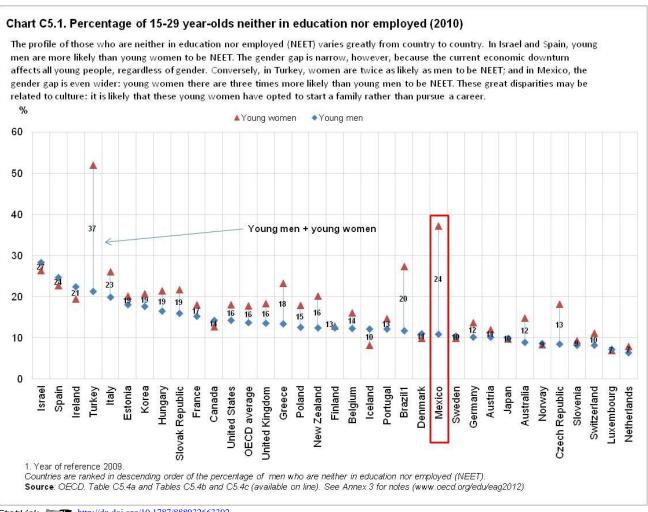
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## Gender gaps in employment are persistent.

The population of NEETs is not homogeneous. The percentage of women in this group outnumber the percentage of men among 15-29 year-olds by a ratio of more than 3 to 1. While this gender gap has narrowed significantly over the past decade from almost 7 to 1 in 2000, it remains the second highest after Turkey (7 to

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1) and higher than that in Brazil (2 to 1). Studies based in the *Encuesta Nacional de la Juventud* (2010) indicate that today most young NEET women are housewives, suggesting that the gender gap may be largely related to cultural matters, such as early marriages and pregnancies. Among slightly older Mexicans within this group (25-29 year-olds), the gender gap in employment rates is even wider. Despite the slight advantage in graduation rates from university programmes among Mexican women (3 percentage points compared to an average of 15 percentage points in OECD countries), employment rates for women with tertiary-type A and research diplomas is more than 16 percentage points lower than that for men with similar education (72% for women and 88% for men). This is the second largest gap among OECD countries, after Turkey (Tables A3.1 and A7.1a).



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The percentage of the population that is neither in education nor employed is not directly related to educational attainment as it is higher among 15-29 year-olds with upper secondary education (30.5%) than among those below that level of education (26%), and is 12% for those with tertiary education. Recent research by the Mexican government also reveals a higher concentration of inactive youth among those from lower socio-economic backgrounds (Tuirán and Ávila, 2012).

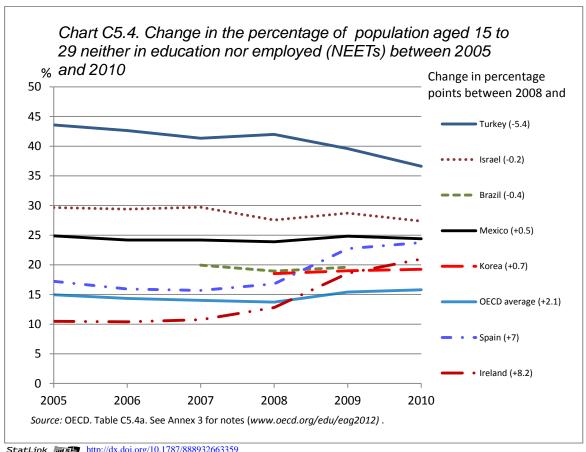
## There are few vocational programmes available to ease entry into the labour market.

School- and work-based programmes help to smoothen the transition from school to work (OECD, 2010). Graduation rates for vocationally oriented upper secondary programmes in Mexico are some of the lowest among OECD countries: just 4% compared with the OECD average of 46% (Table A2.1). In addition, Mexican firms invest little in vocational training, the connection between the vocational and training system and employers is relatively weak (OECD, 2009), and only 1% of tertiary students are enrolled in vocationaloriented programmes, compared to the OECD average of 11% (Table C1.3).

#### Unemployment rates were relatively unaffected by the economic crisis.

The increase in unemployment seen in OECD countries from 2008 to 2009 was less related to education levels in Mexico than in other countries. Unemployment among individuals without an upper secondary education increased 1.6 percentage points between 2008 and 2009, compared to the OECD average increase of 2.8 percentage points. Among tertiary-educated adults in Mexico, unemployment rates increased one percentage points during that period, compared with the OECD average increase of 1.1 percentage points (Table A7.4a).

The sharp rise in the proportion of adults neither in education nor in employment (NEET) seen in most OECD countries during the first years of the economic crisis was not apparent in Mexico and other emerging economies. In Mexico, the proportion of NEETs increased by 0.5 percentage points between 2005 and 2010, a lower increase than in 26 of 33 reporting countries, while in Turkey, Israel and Brazil, the proportion of this group shrunk between 2008 and 2010.



## Definition of NEET, from Education at a Glance

The work status refers to the International Labour Organisation's definitions of "employment", "unemployment", and "not in the labour force". The type of employment refers to full-time or part-time employment based on a threshold definition of 30 hours. Full-time workers are those who usually work 30 hours or more at their primary job.

School status is understood in terms of education and/or training currently received in the regular education system, either during the previous four weeks (including the survey reference week) or a shorter period. If such a question does not exist in the national labour force survey, the "Main activity question" is used to complete the schooling status.

## **KEY FACTS**

Indicator	OECD Mexico average		Mexico rank*					
Educational Access and Output								
Enrolment rates								
3-year-olds (in early childhood education)	40%	66%	28 of 36 countries					
4-year-olds (in early childhood and primary education)	99%	81%	4 of 38 countries					
5-14 year-olds (all levels)	100%	96%	1 of 39 countries					
Percentage of population that has attained pre-primary or primary levels of education only								
25-64 year-olds	42%	m	8 of 37 countries					
Percentage of population that has attained at least upper secondary education								
25-64 year-olds	36%	74%	34 of 40 countries					
25-34 year-olds	44%	82%	34 of 36 countries					
55-64 year-olds	23%	62%	33 of 36 countries					
Percentage of population that has attained tertiary education								
25-64 year-olds	17%	31%	30 of 41 countries					
25-34 year-olds	22%	38%	32 of 37 countries					
55-64 year-olds	12%	23%	31 of 37 countries					
Entry rates into tertiary education								
Vocational programmes (Tertiary-type B)	3%	17%	27 of 33 countries					
University programmes (Tertiary-type A)	33%	62%	33 of 36 countries					
Graduation rates								
Percentage of today's young people expected to complete upper secondary education in their lifetime	47%	84%	27 of 27 countries					
Percentage of today's young people expected to complete university education (tertiary-type A) in their lifetime	20%	39%	27 of 28 countries					

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Indicator Economic and Labour Market Outcomes	Mexico	average	Mexico rank*					
Unemployment rate of 25-64 year-olds								
Below upper secondary	4%	12.5%	32 of 33 countries					
Upper secondary and post-secondary non-tertiary	4.6%	7.6%	27 of 34 countries					
Tertiary	5%	4.7%	11 of 34 countries					
<u> </u>	- / -							
Average earnings premium for 25-64 year-olds with tertiary education (compared to people with upper secondary education; upper secondary $= 100$ )								
Men and women	m	155	m					
Men	m	160	m					
Women	m	157	m					
Average earnings penalty for 25-64 year-olds who have not attained upper secondary education (compared to people with upper secondary education; upper secondary = 100)								
Men and women	m	77	m					
Men	m	78	m					
Women	m	74	m					
Percentage of people not in employment, education or training								
15-29 year-olds (2005 data)	24.9%	15.0%	3 of 32 countries					
15-29 year-olds (2010 data)	24.4%	15.8%	3 of 32 countries					
Financial Investment in Education								
Annual expenditure per student (in equivalent USD, usin	ng PPPs)							
Pre-primary education	2 158	6 670	31 of 34 countries					
Primary education	2 185	7 719	33 of 35 countries					
Secondary education	2 536	9 312	34 of 37 countries					
Tertiary education	8 020	13 728	29 of 37 countries					
Total public and private expenditure on education								
As a percentage of GDP	6.2%	6.2%	15 of 37 countries					
Total public expenditure on education								
As a percentage of total public expenditure	20.3%	13.0%	2 of 32 countries					
Share of private expenditure on educational institutions								
Primary, secondary and post-secondary non-tertiary education	19%	8.8%	4 of 32 countries					
Tertiary education	31.3%	30%	12 of 31 countries					
All levels of education	21.2%	16%	8 of 30 countries					
Schools and Teachers								
Ratio of students to teaching staff								
Pre-primary education	25.4	14.4	1 of 32 countries					
Primary education	28.1	15.8	2 of 36 countries					
Secondary education	30.4	13.8	1 of 38 countries					

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Indicator	Mexico	OECD average	Mexico rank*					
Number of hours of compulsory instruction time per								
year								
7-8 year-olds	800	774 hours	13 of 33 countries					
9-11 year-olds	800	821 hours	17 of 34 countries					
12-14 year-olds	1 167	899 hours	1 of 34 countries					
Number of hours of teaching time per year (for teachers in public institutions)								
Primary education	800	782 hours	15 of 35 countries					
Lower secondary education	1 047	704 hours	4 of 34 countries					
Upper secondary education	843	658 hours	4 of 35 countries					
Ratio of teachers' salaries to earnings for full-time, full-year adult workers with tertiary education								
Primary school teachers	m	0.82	m					
Lower secondary school teachers	m	0.85	m					
Upper secondary school teachers	m	0.90	m					

<sup>\*</sup> Countries are ranked in descending order of values.

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Country note author: Pedro L. García de León (pedro.garciadeleon@oecd.org)