

Public Financial Assistance for Formal Education in Japan

In Japan, households bear a particularly high proportion of the costs of pre-primary and tertiary education compared with other OECD countries (OECD, 2013). However, the amount households pay for primary and secondary education is considerable even when tuition fees for public schools are covered by public funds. A possible consequence of the heavy burden of education costs on households is the violation of equality in educational opportunity, as children from low-income households may not be able to receive a sufficiently high level of education. This is why the Japanese Government has attempted to reduce the financial burden on households with regard to education financing.

This essay discusses the background and current state of public financial assistance for formal education in Japan, by addressing the following three topics. First, the essay shows how much a household typically spends on formal education by item and level of education, and takes notice of a recent reform implemented on the tuition fee system for upper secondary schools. Secondly, it describes the Japanese system of public financial assistance for formal education targeted at low-income households by level of education. Such public financial assistance may not necessarily have to be targeted only at low-income households, but no universal assistance measure that could be offered, regardless of pupils' or students' household income, has been established by the government at least up to the undergraduate level. Lastly, the essay discusses some issues regarding the Japanese system of public financial assistance for formal education.

1. Education Expenditure in Japan

1.1 Household Expenditure on Formal Education

Regardless of whether the school is public or private, households are required to pay tuition fees for pre-primary and tertiary education in Japan. For primary and secondary education, tuition fees are not charged at public schools, while they are charged at private schools. As recent as in 2010, tuition fees for public schools at the upper secondary level were abolished. Simultaneously, financial assistance began to be granted to those who attended private schools at the upper secondary level, in order to cover a part of the tuition fees. The next subsection describes further about these systems.

The tuition fees paid by households are far from small. In 2010, while the median income for households with children under age 18 was between six and seven million yen before tax (Comprehensive Survey of Living Conditions 2010, Ministry of Health, Labour and Welfare, MHLW), the average tuition fees paid by households for each level of education is as follows. As Table 1 shows, the average tuition fee for public pre-primary schools is 73,000 yen, and that for private primary schools amounts to 240,000 yen. If households send their children to private schools at primary and secondary levels, the average tuition fee they pay is 430,000 yen for private primary schools, 420,000 yen for private lower secondary schools, and 230,000 yen for

private upper secondary schools. The average tuition fee for upper secondary schools is calculated after taking into account the financial assistance described above. In terms of tertiary education institutions (such as full-time university education), Table 2 shows that the average tuition fee is 500,000 yen for national universities, 520,000 yen for prefectural and municipal universities, and 970,000 yen for private universities. For private universities, tuition fees vary between fields of study, being generally higher for engineering and natural sciences than for social sciences and humanities.

Tuition fees are much higher at private schools than public schools. Despite this, except for compulsory education (primary and lower secondary education), it is not necessarily that only affluent households send their children to private schools. In 2012, around 50% of pre-primary children aged between three and five were enrolled in pre-primary schools (kindergarten), 82% of which were enrolled in private schools (School Basic Survey 2012, MEXT; Population Estimates 2012, Statistics Bureau, Ministry of Internal Affairs and Communications), and 30% of upper secondary students and 78% of tertiary students were enrolled in private schools or educational institutions (School Basic Survey 2012, MEXT). Therefore, the burden of paying tuition fees may be heavy for many households.

Households pay education related expenses besides tuition fees, such as school trip expenses, textbook and other book expenses, school supply expenses, and school uniform expenses. Textbooks are free of charge at both public and private schools at primary and lower secondary levels, but schools collect money from parents for meals that are provided in nearly all public primary schools and 75% of public lower secondary schools (Ichimi, 2013). Extracurricular activity expenses and commuting expenses paid by households are particularly high in upper secondary and tertiary education, as shown in Tables 1 and 2.

Table 1 Expenses for School Education and Expenses for School Meals by Level of Education and Type of School (yen/year)

	Pre-primary schools		Primary schools		Lower-secondary schools		Upper-secondary schools (full-time)	
	Public	Private	Public	Private	Public	Private	Public	Private
Expenses for school education	129,581	358,313	54,929	835,202	131,501	990,398	237,669	685,075
Tuition fees	73,043	242,986	...	429,643	...	418,476	—	225,385
School trip expenses	2,673	3,474	6,593	37,714	24,797	70,001	32,324	52,594
Pupil/student council charge	4,298	404	4,208	10,420	5,547	14,036	12,316	13,131
PTA charge	4,285	5,741	2,966	13,753	3,724	13,364	8,130	13,016
Other payments to school	3,899	44,752	1,520	187,029	4,896	237,315	27,987	185,993
Donations to school	149	921	78	22,172	487	5,975	344	2,178
Textbook and other book expenses	1,138	2,044	1,939	5,375	5,981	12,745	19,131	19,572
School supply expenses	9,172	10,138	16,272	25,177	19,961	24,355	17,408	18,480
Extracurricular activity expenses	763	2,932	2,593	10,339	27,717	49,266	41,570	43,356
Commuting expenses	5,606	18,556	1,346	39,730	7,795	82,211	43,198	68,834
School uniform expenses	3,043	6,247	2,837	28,476	17,842	42,237	21,596	27,045
Commuting supply expenses	13,844	10,369	11,241	16,263	9,098	13,160	9,642	9,137
Other	7,668	9,749	3,336	9,111	3,656	7,257	4,023	6,354
Expenses for school meals	18,834	28,078	42,227	46,052	35,448	9,429

Source: MEXT (2012), Table 1 (translated by the author).

Notes: Other payments to school include fees for entrance examinations, matriculation fees, school arts festival expenses, and safety mutual aid installments.

Table 2 Education expenses for university students by item (yen/year)

	University (full-time)		
	Prefectural		
	National	Municipal	Private
Education expenses	656,600	674,300	1,316,800
Tuition fees	504,700	517,200	969,400
Other payments to school	7,800	16,300	184,800
Learning material expenses	53,800	51,300	49,300
Extracurricular activity expenses	47,000	34,200	39,200
Commuting expenses	43,300	55,300	74,100

Source : JASSO (2012), Table C (translated by the author).

1.2 Free Tuition Fee at Public High Schools and the High School Enrollment Support Fund System

At the beginning of 2010, the Free Tuition Fee at Public High Schools and the High School Enrollment Support System programmes were introduced under the Democratic administration. These made tuition for upper secondary students essentially free at public schools, or partly funded by prefectures if enrolled in private schools. The level of financial assistance to each private school student amounts to 118,000 yen, which is equivalent to the discharged tuition fees of public upper secondary schools. Students from low-income households are eligible for a higher level of assistance. The Central Government grants the funds needed to finance the system to the local governments; hence, national funds are used to support the learning of upper secondary students.

The coverage of the system is limited to tuition fees, and therefore households remain responsible for other payments such as textbook and school trip expenses. It is possible for students enrolled in private schools to receive financial assistance from the system, in addition to partial tuition fee exemption, or a scholarship provided by local governments or schools, if available. The Central Government encourages local governments and schools to increase the level and coverage of financial assistance based on the programmes enacted by the current support system, with a view to further relieving the financial burden on households.

When the system was first introduced, there was no income limit on eligibility for financial assistance. MEXT argued for the necessity of implementing such a system, explaining that a society ought to collectively bear the costs of education in a situation where the staying-on rate in upper secondary education is now 98% in Japan and where the benefits from the education

are widely shared by the society.¹ However, a cabinet decision was made in October 2013, under the coalition administration of the Liberal Democratic Party and the New Komeito, that households with an annual income higher than 9.1 million yen (in case of a two-parent and two-children household) will be ineligible to receive financial assistance.

2 Public Financial Assistance for Formal Education in Japan

2.1 Pre-primary education

The Assistance for Kindergarten Fees program is the financial assistance programme designed to support households to pay all or a part of the tuition fees according to their income if a child in the household is enrolled in a private pre-primary school. Municipalities are responsible for implementing the program, although no legal obligation is imposed on them to do so. In order to prevent municipalities from withdrawing from or abandoning the responsibility of implementing the program at the time of financial deficit, the Central Government subsidises them up to a third of the budget spent on the program every year. The program is aimed to financially support households with many children regardless of their income as well as low-income households with a child, and to reduce the gap in tuition fees between public and private schools. In the budget request for 2014, MEXT regards this program as a step forward in abolishing tuition fees altogether for pre-primary education.²

2.2 Primary and Secondary Education

2.2.1 Primary and Lower Secondary Education (Compulsory Education)

Financial assistance for primary and lower secondary education is provided through two different programmes, Education Assistance and Assistance to School Attendance. The Education Assistance programme is administered under the means-tested income support system and Livelihood Protection, administered by the MHLW in order to guarantee “the right to maintain the minimum standards of wholesome and cultured living” (Paragraph 1, Article 25 of the Constitution of Japan). The Assistance to School Attendance programme is administered by MEXT with a view to ensuring equal access to education. While both programs are targeted at low-income households having difficulty sending children to school for financial reasons, they differ with respect to income eligibility thresholds, eligible items, and the means of financing, as shown in Table 3.

From the initiation of financial assistance for compulsory schooling in the late 1920s and early 1930s, the Ministry of Home Affairs (presently, MHLW) and the Ministry of Education (MOE) (presently, MEXT) introduced different assistance programs to pay for items such as school supplies. In the early 1950s, the MOE proposed to establish a unified system of financial

assistance for schooling in order to encourage school attendance not only from financial but also the educational perspective. However, this was not realised because the Ministry of Welfare (presently, MHLW) refused to transfer the jurisdiction of Education Assistance (Fujisawa, 2007). The dual system of financial assistance for compulsory schooling has survived until today.

Primary and lower secondary pupils from households receiving support from Livelihood Protection receive Education Assistance for expenses for school meals, school commuting expenses, and school supply expenses. However, because Education Assistance cannot be used to cover school trip expenses, support from the Assistance to School Attendance may be used for this. One is not allowed to receive both Education Assistance and support from the Assistance to School Attendance to pay for school meals, school commuting, and school supplies.

A great number of eligible households (“households requiring public assistance”) are not receiving support from Livelihood Protection, although all such households are supposed to, based on the Livelihood Protection Act. This is partly due to severe controls taken at municipal service counters that discourage households from submitting an application for assistance, against the background of a cutback in social security in Japan (Iwata, 2007). Therefore, many of the primary and lower secondary pupils from “households requiring public assistance” are not receiving Education Assistance. They apply for the Assistance to School Attendance in order to cover expenses for school meals, school commuting expenses, school supply expenses, and school trip expenses. Households whose income is slightly higher (1–1.5 times higher depending on municipalities) than the livelihood protection standard but who are in need of financial assistance to send a child to school are categorised as “households almost requiring public assistance,” and are eligible for support from the Assistance to School Attendance. In 2010, the proportion of pupils in “households requiring public assistance” is 1.4% and that of pupils in “households almost requiring public assistance” is 13.2%, based on data collected by MEXT. These proportions have been increasing since the late 1990s (Gan, 2013).

The Central Government subsidises half the total budget of the Assistance to School Attendance programme for “households requiring public assistance.” However, support from the Assistance to School Attendance for “households almost requiring public assistance” has been excluded from state subsidies since 2005 as part of the Three-part Reform Package, which aims at reforming state subsidies and transferring tax revenue sources to local governments. Instead, it has been incorporated into tax revenue allocated to local governments, with no restrictions on the use of the revenue. As a result, depending on the financial capacity and the degree of

importance placed on the program, some municipalities reduce income eligibility thresholds and eligible items, hence perpetuating inequality across municipalities (Ogawa, 2010; Gan, 2013).

Table 3 Relationship between Education Assistance and Assistance to School Attendance

		Principal expenses related to compulsory education paid by households			
		Expenses for school meals	School-commuting expenses	School supply expenses	School trip expenses
Households requiring public assistance	Primary and lower secondary pupils receiving Education Assistance	Education Assistance			
	Primary and lower secondary pupils in need of assistance but not receiving Education Assistance	Assistance to School Attendance (state subsidy)			
Households almost requiring public assistance	Primary and lower secondary pupils in poverty to a similar extent to those receiving Education Assistance	Assistance to School Attendance (general fund of municipalities)			

Source: Gan (2009) (translated by the author).

2.2.2 Upper Secondary Education

Financial assistance for upper secondary education is also provided through several programmes and systems administered by different governments, namely the High School Scholarship, the Livelihood Welfare Fund Loan, and the Welfare Funds for Mothers with Dependent Children and Widows programmes. All these programmes, however, lend funds for schooling rather than fund the students outright. Eligibility for the scholarship programme requires that students not only come from low-income households but also have a sufficiently good academic record.

The High School Scholarship was administered by the Japan Student Services Organization (JASSO) (formerly the Japan Scholarship Association) until 2005, and transferred to the jurisdictions of prefectures in 2005. All prefectures commonly have loan scholarship

programmes that are equivalent to those that would be provided by the Japan Student Services Organization. There is no paid scholarship commonly implemented in all prefectures in Japan. Some local governments have independently paid scholarship programmes, but where one lives affects what type of scholarship one can apply for.³

The Livelihood Welfare Fund Loan and the Welfare Funds for Mothers with Dependent Children and Widows are administered by the MHLW, which lends funds for schooling to students from low-income households. The differences of these programmes compared with the scholarship program are that students are required to apply at a local welfare office or social welfare council rather than at school, all the funds lent to students are interest-free, funds that can be used for admission preparations can be lent prior to school admission, and eligibility is conditional only on household income but not on academic record.

Assistance for expenses for upper secondary education began to be provided to students from households receiving support from Livelihood Protection in 2005 under the category of Occupational Assistance, which is designed for recipients to acquire occupational skills, rather than Education Assistance. The MHLW bears the cost of implementing this program through tax allocation to local governments. The amount paid to each student, however, corresponds to only part of the cost of participating in upper secondary education.

2.3 Higher Education

Tuition fees and other costs are particularly high for higher education, as was illustrated in the last section. However, there is no paid scholarship programme supported by the Central Government, and only loan scholarship programmes exist in Japan, which are administered by JASSO. There are two types of programmes: the Type I scholarship whose eligibility criteria in terms of household income and academic record are relatively strict but is interest-free, and the Type II scholarship whose eligibility criteria are more relaxed but attracts interest. The Japan Scholarship Association, the predecessor of JASSO, introduced the Type I scholarship in 1943 and the Type II scholarship in 1984. Among all students enrolled in higher education institutions such as universities (at undergraduate and postgraduate levels), junior colleges, colleges of technology, and specialised training colleges, the proportion of students supported through Type I scholarship is 10% (383,000 yen) and that of Type II scholarship is 24% (956,000 yen) in 2012 (School Basic Survey 2012, MEXT).⁴ These proportions vary across types of institutions in which the students are enrolled (JASSO, 2012).

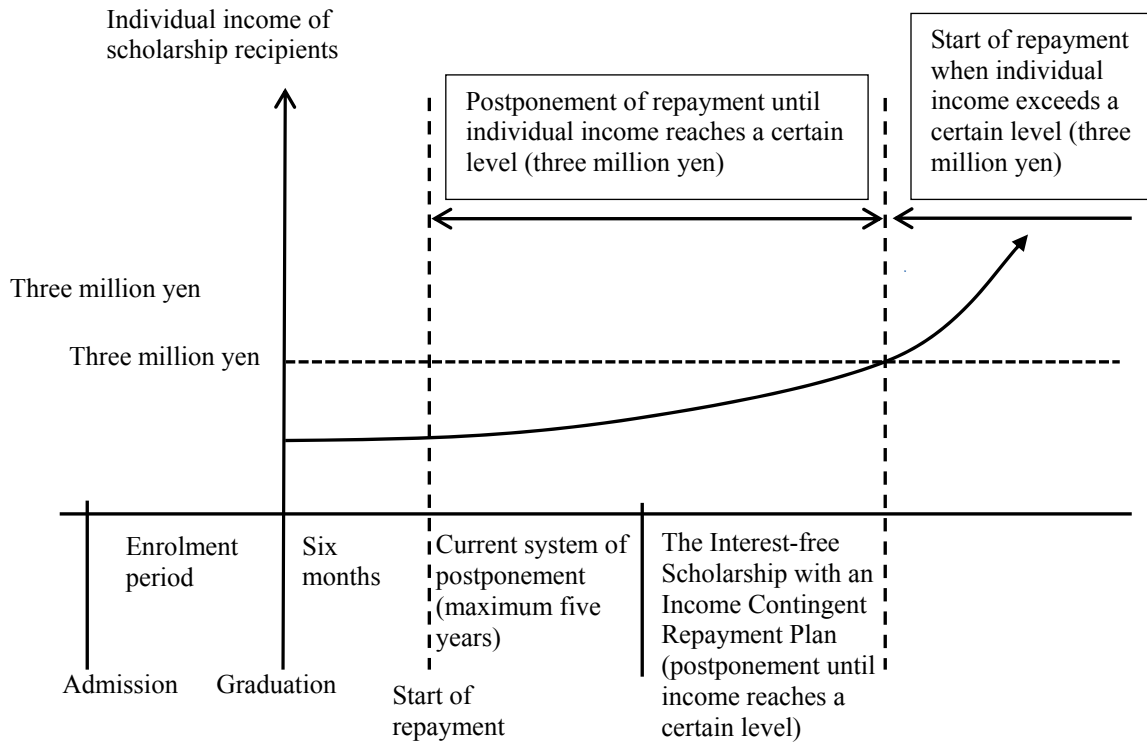
Since these programmes are implemented within the available budget, not all applicants who

meet the eligibility criteria are able to borrow funds. Those higher education students whose household income is below a certain threshold are eligible for the Livelihood Welfare Fund Loan, and support from the Welfare Funds for Mothers with Dependent Children and Widows are available, just as their upper secondary counterparts are.

Students granted scholarships are expected to start repayment from six months after graduation, by monthly instalments. The duration of the repayment period depends on the amount borrowed, but those who borrowed the JASSO scholarship are normally expected to complete repayment within 20 years. A repayment extension of up to five years can be granted to those who face problems such as low-income due to sickness, unemployment, or disasters. Based on the result from a survey conducted by JASSO, the risk facing arrears for three months or longer is higher for the non-employed, employees on leave, and non-regular employees, than for regular employees.⁵ However, it also shows that the proportion of regular employees among those facing arrears for three months or longer is 35%, which is higher than that of the non-employed and employees on leave (19%) and of non-regular employees (13%). Young people who feel uneasy about falling into debt may hesitate to pursue higher education by borrowing scholarships. If this is the case, loan scholarship programmes are not necessarily helpful in encouraging educational participation.

In response to this issue, JASSO introduced the Interest-free Scholarship with an Income Contingent Repayment Plan in 2012. This system allows students from low-income households, supported by the Type I Scholarship, to postpone the commencement of repayment until their income after graduation reaches a certain level (three million yen), so that they can be relieved from the pressures of repayment and encouraged to continue studying. However, this kind of support system is yet to be available to those students who are supported by the Type II Scholarship, or who are not from low-income households but whose income after graduation is low.

Figure 1 The Interest-free Scholarship with an Income Contingent Repayment Plan



Source : <http://www.jasso.go.jp/saiyou/syotokurendo.html> (translated by the author).

3 Issues on the Japanese system of public financial assistance for formal education

While this essay has summarised the situation in the system of public financial assistance for formal education in Japan, it concludes by discussing some issues about the system. First, the methods and levels of financial assistance for students from low-income households are neither necessarily well designed nor sufficient. In terms of upper secondary education, for instance, compared with the scholarship programs, the Livelihood Welfare Fund Loan and the Welfare Funds for Mothers with Dependent Children and Widows seem to have had a desired feature in terms of the timing of availability, and may be effective in promoting educational participation of those from low-income households. Nonetheless, as schools do not usually provide students with information on these two programs, many are still unaware about them. Furthermore, since the level of financial assistance provided through these programmes is lower than the full cost of schooling, 30 to 40% of those supported by the programmes simultaneously borrow extra funds from other sources (Toriyama, 2008).

Secondly, there is currently no paid scholarship program in Japan that aims to make it easier for

young people to participate in post-compulsory education, particularly higher education. The government has recently announced a plan to introduce a paid scholarship programme for upper secondary students from low-income households who are newly enrolled in 2014, which will be financed by resources made available by setting the income limit for the Free Tuition Fee at Public High Schools and the High School Enrollment Support Fund System programmes.⁶ The level of assistance proposed, however, corresponds to only a small part of the cost of schooling even after tuition fees. In terms of higher education, the introduction of the Interest-free Scholarship with an Income Contingent Repayment Plan was a step forward in relieving the pressures concerning the repayment of scholarships by those from low-income households, but the beneficiaries are still few. Continuing efforts are required to improve the system of financial assistance in the way that improves young peoples' incentives and motivations to continue education.

Lastly, but not least importantly, despite the high costs of formal education borne by households in Japan, financial assistance is narrowly targeted at low-income households. The universal implementation of the Free Tuition Fee at Public High Schools, drawing on the idea that the benefits of education are enjoyed by the society as a whole, has not attracted cross-party support. Even financial assistance for low-income households is at the risk of being reduced due to the financial weakness of some local governments. It may be an important task of the Central Government to revisit the objective of financial assistance for formal education and to examine the most desirable ways of providing it, in order to achieve the ultimate objective.

Notes

¹ http://www.mext.go.jp/b_menu/hakusho/html/hpab200901/detail/1296590.htm

² http://www.mext.go.jp/component/b_menu/other/_icsFiles/afieldfile/2013/08/30/1339146_6.pdf

³ http://www.jasso.go.jp/statistics/syogaku_chosa/documents/result_22.pdf

⁴ http://www.mext.go.jp/b_menu/shingi/chousa/koutou/052/052_01/siryou/_icsFiles/afieldfile/2012/07/17/1323448_01.pdf

⁵ http://www.jasso.go.jp/statistics/zokusei_chosa/23_chosa.html

⁶ http://www.mof.go.jp/budget/budger_workflow/budget/fy2014/seifuan26/05-07.pdf

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日本の就学支援（記述の要点）

日本では就学前教育と高等教育の教育費において国際的に見ても特に家計負担割合が高いが、公財政によって授業料が支出される初等中等教育の費用においても相当の家計負担がある。そこで、教育機会の平等を保障することを目的に公的な就学支援の制度が整備されてきた。本稿は日本の就学支援の現状と課題を述べる。

日本で学校教育を受けるには、就学前教育と高等教育では公立・私立を問わず、家計から授業料を支払う必要がある。初等中等教育では、公立の場合は授業料が徴収されないが、私立の場合には授業料を支払う必要がある。授業料以外にも教科書費・教科書以外の図書費、学用品費、制服費、通学費等を支払う必要がある。ただし、義務教育では教科書は無償である。2010年度、公立高校授業料無償制と高等学校等就学支援金制度が導入され、公立高校に通う生徒は原則として授業料を徴収されず、私立高校に通う生徒は、授業料に充てるための高等学校等就学支援金を国費から支給されることになった。

各教育段階における就学支援の概要は次のとおりである。就学前教育では、幼稚園就園奨励事業により、低収入世帯への補助、世帯収入による制限のない多子世帯への補助、授業料の公立・私立間格差への対応が図られている。初等教育と前期中等教育（義務教育）では、生活保護の教育扶助と就学援助の2つの制度により、低収入世帯は学校給食費、通学用品費、学用品費、修学旅行費の補助を受けている。後期中等教育では、校奨学金事業、生活福祉資金貸付制度、母子寡婦福祉資金制度により、低収入世帯は就学支援を受けている。いずれも給付ではなく貸与である。高等教育では、国費による奨学金は貸与型のみで、日本学生支援機構が実施している。給付型は現在のところ存在しない。卒業後の低収入による延滞が問題となっていることから、近年、所得連動返還型無利子奨学金制度が導入された。

日本の就学支援をめぐり、次の3点が課題として挙げられる。

- ① 低収入世帯を対象とした就学支援は、支給額と支給のタイミングにおいて、必ずしも利用者のニーズを満たすものとなっていない。
- ② 現在のところ国費による給付型奨学金が存在しないため、負債を負うことを恐れる低収入世帯の若者の進学を抑制している可能性がある。
- ③ 学校教育費の家計負担が高いにもかかわらず、公的な就学支援は低収入世帯を対象としたものに限られている。また、低収入世帯への就学支援も、地方公共団体の財政力に影響を受けやすくなっている。