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# Public and private components in the Italian educational system

by

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and

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## 1. General features

The Italian educational system can be featured as a rather underdeveloped one, in relation to the other major EU countries and most OECD countries, from a number of viewpoints.

1. *Level of expenditure*: The expenditure on educational institutions as a percentage of GDP has remained lower than that of the major EU countries and the OECD average (table 1).

**Table 1**  
**Expenditure on educational institutions as a percentage of Gdp,**  
**for all levels of education (% 1998, 2001, 2004)**

	Private (excl. subsidies to households)			Public (incl. subsidies to households)			Total		
	1998	2001	2004	1998	2001	2004	1998	2001	2004
France	0,4	0,6	0,4	5,9	5,4	5,7	6,2	6,0	6,1
Germany	1,2	1,0	0,9	4,4	4,3	4,3	5,6	5,3	5,2
<b>Italy</b>	<b>0,2</b>	<b>0,4</b>	<b>0,5</b>	<b>4,8</b>	<b>4,9</b>	<b>4,4</b>	<b>5,0</b>	<b>5,3</b>	<b>4,9</b>
Spain	0,9	0,6	0,6	4,4	4,3	4,2	5,3	4,9	4,7
United Kingdom	0,3	0,8	1,0	4,7	4,7	5,0	4,9	5,5	5,9
United States	1,6	2,1	2,3	4,8	5,3	5,1	6,4	7,3	7,4
<b>EU19 average</b>	<b>n.a.</b>	<b>n.a.</b>	<b>0,5</b>	<b>n.a.</b>	<b>n.a.</b>	<b>5,0</b>	<b>n.a.</b>	<b>n.a.</b>	<b>5,4</b>
<b>OECD average</b>	<b>0,7</b>	<b>0,7</b>	<b>0,7</b>	<b>5,0</b>	<b>5,0</b>	<b>5,0</b>	<b>5,7</b>	<b>5,6</b>	<b>5,7</b>
<b>OECD total</b>	<b>1,1</b>	<b>1,4</b>	<b>1,4</b>	<b>4,6</b>	<b>4,8</b>	<b>4,7</b>	<b>5,8</b>	<b>6,2</b>	<b>6,2</b>

Source: OECD, 2007a: table B2.4.

2. *Educational expenditure per student*: the fact that this is higher in Italy than the OECD average and major EU countries for the pre-primary, primary and lower secondary education (table 2) is not an indicator of a better situation. In fact, a possible explanation has to do with an inefficient organisation of education at these levels: in particular, at the primary level there are multiple teachers for each

class of students, which does not respond to special needs (in particular, it can only partially be justified on the basis of the need of special care for disabled students) and does not lead to a better performance. By contrast, the expenditure per student is lower in Italy than in France, Germany and the US in higher secondary education.

Data for tertiary education are misleading, because Italian private institutions are not included, and the effective attendance by students is low. Ratios change when part-time students are correctly considered<sup>1</sup>: Perotti (2002) shows that Italian universities are better funded than British universities, as the expenditure per academic staff or per full-time equivalent student is higher in Italy.

**Table 2**  
**Annual expenditure on educational institutions per full-time equivalent student, by level of education (US \$ PPP, 2004)**

	Pre-primary (3 years and older)	Primary	Lower secondary	Upper secondary	Tertiary- type B	Tertiary- type A and advanced
France	4,938	5,082	7,837	9,883	9,113	11,195
Germany	5,489	4,948	6,082	10,459	6,413	13,218
<b>Italy (a)</b>	5,971	7,390	7,657	7,971	8,378	7,716
Spain	4,617	4,965	6,701		8,363	9,582
United Kingdom	7,924	5,941	7,090		11,484	
United States	7,896	8,805	9,490	10,468	22,476	
<b>EU19 average</b>	4,896	5,788	7,215	7,694	10,191	
<b>OECD average</b>	4,741	5,832	6,909	7,884	11,100	
<b>OECD total</b>	5,117	5,331	7,163		14,027	

(a): for Italy, public institutions only.

Source: OECD, 2007a: table B1.1a.

3. *Educational attainment of adult population*: only 50% of the age group 25-64 has attained at least upper secondary education (table 3). Italy is catching up, but it will take 80 years to reach the OECD average (Checchi, 2003: 3-4).

<sup>1</sup> OECD (2007a: 185) highlights that some countries do not determine a student's intensity of participation by obtained credits, so that countries accurately accounting for part-time enrolment will have higher expenditure per full-time equivalent student than countries not differentiating between different modes of attendance. Notably, in Germany and Italy no distinction is made between part-time and full-time students at the university level.

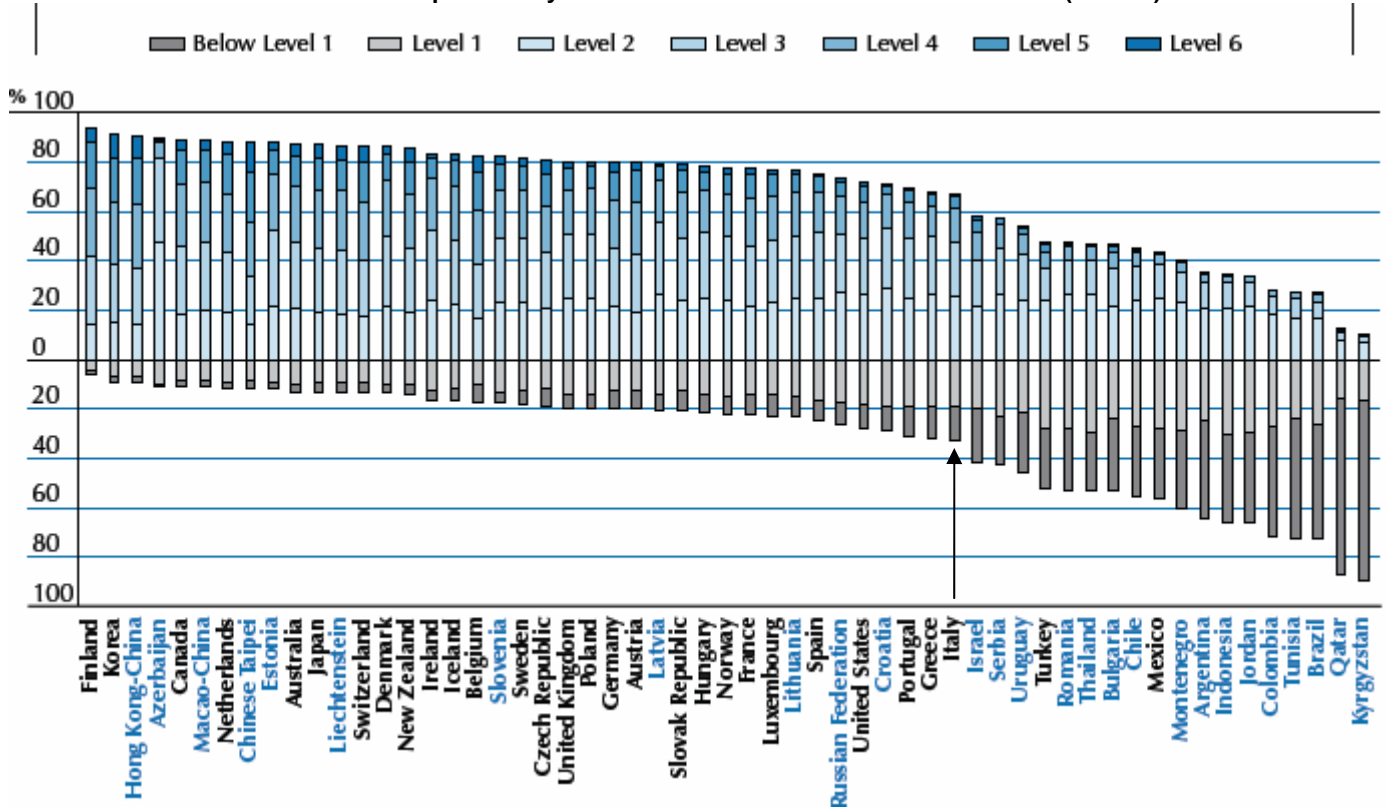
**Table 3**  
Population that has attained at least upper secondary education, by age group (% 2005)

	25-64	25-34	35-44	45-54	55-64
France	66	81	71	60	51
Germany	83	84	85	84	79
<b>Italy</b>	<b>50</b>	<b>66</b>	<b>54</b>	<b>46</b>	<b>30</b>
Spain	49	64	54	41	26
United Kingdom	67	73	67	65	60
United States	88	87	88	89	86
<b>UE19 average</b>	<b>68</b>	<b>79</b>	<b>72</b>	<b>64</b>	<b>54</b>
<b>OECD average</b>	<b>68</b>	<b>79</b>	<b>72</b>	<b>64</b>	<b>54</b>

Source: OECD, 2007a: table A1.2a.

4. *Quality of education*: according to the 2006 PISA enquiry the performance of Italian students is well below the OECD average and superior only to Turkey and Mexico (figure 1). More worryingly, 33% of students do not reach the minimum level of mathematics proficiency (level 1 or below) and only 6% is at level 5 or 6.

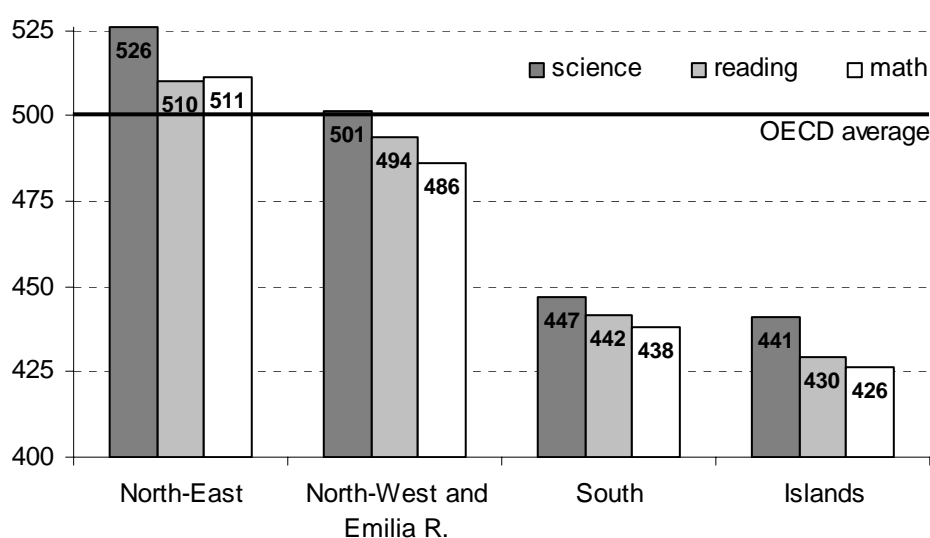
**Figure 1**  
Students at each proficiency level on the OECD PISA mathematics scale (% 2006)



Source: OECD, 2007b: figure 6.19.

5. *Geographical concentration of bad performance*: most Italian educational problems are geographically concentrated in the South (figure 2) for various reasons: the lower efficiency of the schools, the backward economic and social context, and the negative influence of the average educational and cultural background of families in this part of the country (Cipollone-Visco, 2007; Italian Government, 2007: 89). As a matter of fact, Northern regions rank at the top of the PISA scores worldwide (Bratti-Checchi-Filippin, 2007: 4-6).

**Figure 2**  
Territorial differences in Italian students' performance on the OECD PISA scores (2006)



Note: simple average of the regions joining the PISA research, namely Trentino A.A., Veneto and Friuli V.G. (North-East); Lombardia, Piemonte, Liguria and Emilia R. (North-West); Puglia, Basilicata and Campania (South); Sicilia and Sardegna (Islands).  
Source: elaborations on OECD, 2007b: tables S2c-S6c-S6e.

6. *Equity problems are relevant*: young people with less than upper-secondary education are less likely to be in employment and the decrease of unemployment rates has been slower for them; moreover, they bear a high earnings penalty, and expect to spend a few hours in non-formal job-related training. Failing to meet baseline qualifications comes at increasingly high costs (OECD, 2007c).

These issues reflect structural problems of the Italian educational system (lagged industrialisation and then reduced level of mass education; low participation ratios and high drop-out rates) rather than contingent ones. They are

hardly the product of the numerous reforms that have been undertaken in the last 3 or 4 decades, according to some experts (Checchi, 2003: 16-17). However, i) these reforms have not been able to reverse the trend, ii) in some cases at least (as for the reform of the primary school with the substitution of the single teacher with multiple teachers and the reforms of the higher secondary school which have simply reduced the requirements needed) reforms have created problems of efficiency and aggravated those of equity.

## 2. The relative importance of public and private components

The private share of the Italian educational system is apparently rather limited, narrower than for other large EU countries and the OECD average, with only 4% of private sources, included subsidies, in primary and secondary education (table 4). However, as regards tertiary education, Italy is among the countries with the highest values and increases in the private contribution to the funding; the relative share of private expenditure rose from 17% to 31% between 1995 and 2004.

**Table 4**  
**Share of private expenditure on educational institutions, by level of education (% 2004)**

	Pre-primary	Primary and secondary	Tertiary
France	4,2	7,3	16,1
Germany	28,2	18,1	13,6
<b>Italy</b>	<b>9,2</b>	<b>3,9</b>	<b>30,6</b>
Spain	17,5	7,5	24,1
United Kingdom	5,1	13,4	30,4
United States	24,6	8,7	64,6
<b>EU19 average</b>	<b>12,1</b>	<b>6,3</b>	<b>16,0</b>
<b>OECD average</b>	<b>20,0</b>	<b>8,3</b>	<b>24,3</b>

Source: OECD, 2007a: table B3.2a-b.

However, this assertion needs some qualifications in relation to the following issues.

1. The limited importance of the private component is measured in terms of the *source of funds*, not their use (or the amount of education services provided).

Some private schools and Universities are really funded by the Italian government.

The relevance of direct public expenditure on private institutions and indirect public transfers and payments to the private sector is rather limited for all levels of non tertiary education (less than 3% in 2004 in Italy, much lower than other major EU countries and the OECD average), but is much more significant for tertiary education (as high as 19%, i.e. at a level comparable to that of Germany, but still less than the OECD average) (table 5).

**Table 5**  
**Distribution of total public expenditure on education, by level of education (% 2004)**

	Primary and secondary			Tertiary		
	Directly on public institutions	Directly on private institutions	Indirect public transfers and payments to the private sector	Directly on public institutions	Directly on private institutions	Indirect public transfers and payments to the private sector
France	84,0	12,6	3,4	86,7	5,4	7,9
Germany	84,0	11,1	4,9	80,9	1,2	17,9
<b>Italy</b>	<b>97,0</b>	<b>1,3</b>	<b>1,6</b>	<b>81,1</b>	<b>2,2</b>	<b>16,7</b>
Spain	84,1	14,5	1,5	90,2	1,9	7,8
United Kingdom	78,9	19,1	2,0	-	76,1	23,9
United States	99,8	0,2	-	71,1	8,2	20,7
<b>EU19 average</b>	<b>86,7</b>	<b>9,8</b>	<b>4,0</b>	<b>74,9</b>	<b>10,6</b>	<b>15,1</b>
<b>OECD average</b>	<b>88,4</b>	<b>8,7</b>	<b>3,6</b>	<b>73,7</b>	<b>8,0</b>	<b>18,4</b>

Source: OECD, 2007a: table B4.2

The case of private funding of educational services provided by public institutions takes place only to a limited extent, in so far as households are asked to pay fees for the provision of education by public institutions. As fees are a very small percentage of the cost of educational services, and donations play a very limited role, we can conclude that the reported statistics overestimate the role of public bodies in the *provision* of educational services in Italy. In fact, data show a higher proportion of the private tertiary education in terms of number of students enrolled, even if the percentage is again lower than in other EU countries and for OECD average (table 6 and 7).



**Table 6**  
**Number of students enrolled and schools in Italy, by management (scholastic year 2005/06)**

	Total	State public sector	Non-state public sector (a)	'Certified' private sector	'Not certified' private sector				
<b>Students</b>									
Pre-primary	1,674,095	979,301	58,5	196,721	11,8	462,964	27,7	35,109	2.1
Primary	2,796,447	2,545,491	91,0	60,629	2,2	181,770	6,5	8,557	0.3
Lower secondary	1,767,506	1,668,184	94,4	33,506	1,9	65,450	3,7	366	0.0
Upper secondary	2,703,309	2,521,581	93,3	51,633	1,9	126,268	4,7	3,827	0.1
<b>Total</b>	<b>8,941,357</b>	<b>7,714,557</b>	<b>86,3</b>	<b>342,489</b>	<b>3,8</b>	<b>836,452</b>	<b>9,4</b>	<b>47,859</b>	<b>0.5</b>
<b>Schools</b>									
Pre-primary	24,878	13,614	54,7	2,870	11,5	7,216	29,0	1,178	4.7
Primary	18,444	16,199	87,8	674	3,7	1,422	7,7	149	0.8
Lower secondary	7,954	7,102	89,3	177	2,2	667	8,4	8	0.1
Upper secondary	6,833	5,039	73,7	189	2,8	1,512	22,1	93	1.4
<b>Total</b>	<b>58,109</b>	<b>41,954</b>	<b>72,2</b>	<b>3,910</b>	<b>6,7</b>	<b>10,817</b>	<b>18,6</b>	<b>1,428</b>	<b>2.5</b>

(a): schools owned by Regions, Provinces or Municipalities.  
Source: Italian Government [2007: table 1.4, p. 34].

**Table 7**  
**Students enrolled in private institutions, by level (% 2005)**

	Primary	Lower secondary	Upper secondary	Tertiary-type B	Tertiary-type A & advanced
France	15.3	21.3	30.2	28.1	12.7
Germany	3.1	7.6	8.3	35.8	3.7
<b>Italy</b>	<b>6.9</b>	<b>3.6</b>	<b>5.4</b>	<b>15.2</b>	<b>6.3</b>
Spain	31.7	32.0	21.6	21.6	12.0
United Kingdom	5.3	6.8	75.0	100.0	100.0
United States	10.3	8.7	8.6	15.2	27.4
<b>UE19 average</b>	<b>10.3</b>	<b>12.7</b>	<b>18.3</b>	<b>27.8</b>	<b>18.3</b>
<b>OECD average</b>	<b>9.2</b>	<b>12.1</b>	<b>18.7</b>	<b>32.4</b>	<b>21.9</b>

Note: both Government-dependent and independent private institutions.  
Source: OECD, 2007a: tables C2.6 and C2.9.

2. The relatively small percentage of private sources has *no uniform distribution* across the different educational levels. Private funds and schools are, in fact, more important at the pre-primary, primary and tertiary levels, thus taking the crucial segments of the educational system (primary: 7% of students; lower secondary: 4%; upper secondary: 5%; tertiary-type B: 15%; tertiary-type A: 6%) (table 7).

3. As for the *quality standards* of educational services, the role of public bodies is still predominant in Italy. At least for education from the primary to the tertiary level, ex ante quality standards of educational programs<sup>2</sup> are set by the central

<sup>2</sup> These take the form of number and contents of disciplines to be taught, number of total days of teaching, terms of final examinations, etc.

government (Checchi-Jappelli, 2007). Private schools must comply with them, if the educational title they grant is to be put on the same footing as that granted by public schools, when such a title is required to access a job. Private schools complying with publicly-set standards are named ‘paritarie’ (certified private schools). The level of the standards set by the government has deteriorated in the last years, but is still in the hands of the central government, as the principle of public recognition of educational titles is still in force<sup>3</sup>. A debate is currently taking place as to the possibility of abandoning the principle of public recognition of titles (while maintaining uniformity of ex ante standards) in order to enhance competition between different schools and universities and let the families and students choose among them.

### **3. The private provision of educational services**

As already said, there are indications that the private provision is most important for the first and the top levels of education.

In fact, there are a multitude of private pre-primary and primary schools, and private tertiary universities, since a long time. The number of the latter has increased in the last few years. Most private education is provided by Catholic schools, but other non-profit and for-profit organisations are also present, and the proprietary structure and role matter for efficiency and quality (Barbetta-Turati, 2003)<sup>4</sup>. Differently from the US confessional schools, mainly aiming at increasing opportunities for disadvantaged students, most Italian private schools – Catholic or for-profit – have a remedial role for lazy but rich or medium-class students, with a few notable exceptions of top-level institutions traditionally aimed to select future elites (Bertola-Checchi, 2004; Di Pietro-Cutillo, 2006).

The importance of private institutions in the bottom and top levels of education is largely explained by the tendency of the Italian Catholic institutions to spread their religion especially among the children, on the one hand, and the future ruling

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<sup>3</sup> Public bodies and professional orders (lawyers, medical doctors, etc.) must accept the education titles granted by different schools or universities for the same level, irrespectively of the body granting the titles.

<sup>4</sup> Bocconi University and LUISS ‘Guido Carli’ University are the most notable examples of top level private institutions in tertiary education. Formally, they are non-profit organisations.

class, on the other. Similar motivations explain the presence of the LUISS ‘Guido Carli’ University, instituted by Confindustria, the Association of Italian manufacturers.

At all levels the private provision of education has been given an incentive in the last decades through the voucher system.

#### **4. The voucher system**

There are two sources of finance for vouchers in Italy: the central government and regional governments, since the year 2000, when a law was passed with the aim to ensure equality of opportunities and freedom to choose among different schools. The amount of government vouchers, 30 million € is divided among all the students attending a certified private school, with an average amount of some 200€ per student. The low per capita amount of this source of vouchers makes its impact on families’ choices a little more than symbolic (Checchi-Jappelli, 2003).

The amount of regional vouchers is instead significant. Not all regions have introduced such vouchers (only 8 out of a total of 20 have done so), and there is a profound difference between two different targets pursued by the regions and the implementation systems they have adopted (Brunello-Checchi, 2005).

A majority of regions (usually led by right-wing governments) grants vouchers tied to the income of families and not to the students’ performance. In theory this type of vouchers is designed in such a way as to back students coming from low or middle-class families, but in practice they tend to favour tax evaders and students who have already decided to attend private schools<sup>5</sup>. Their amount, while covering only a percentage of the total costs, is rather high as compared to the amount of the central government’s vouchers. They could have a non-negligible impact on students’ choices, were not for some inefficiency in their implementation<sup>6</sup>. In one region at least, some research shows the ineffectiveness of vouchers in increasing private schools enrolment (Conti-Sette, 2005).

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<sup>5</sup> Income ceilings are not very low (between 30,000 and 53,800 €), and refund is possible only for enrolment and tuition fees, not for general maintenance of students and support of the families.

<sup>6</sup> This is due to the ex post payment of vouchers, the uncertainty as to the amount, the length of the payment and other features.

Two regions, Emilia-Romagna and Toscana , led by left-wing governments, have introduced vouchers based on a fixed payment, aimed only to support low-income families (the income ceiling of recipients is 20,000 €) and good performer students, and designed in such a way as to finance both private and public school attendance and not to cover only tuition fees. However, the amount of these vouchers is fairly low and they have neither influence on the students' choices nor significant economic effects.

The economic effects of the first kind of regional vouchers may be different according to a number of features of demand and supply (Belfield-Levin, 2002: 66-70). In Italy there has been a shift in the (private) supply that has reduced the net price paid for school services, thus attributing most of the voucher benefits (83%) to the households (Brunello-Checchi, 2005: 32). Demand has increased only for marginal families, since vouchers cover less than half of the tuition fees (Brunello-Checchi, 2005: 11-13). Had demand significantly increased, the vouchers might have been appropriated by private education providers, which is contrary to the Italian Constitution, which forbids public funding of private schools, a regulation which, however, has not been consistently applied in other circumstances.

To the extent to which there is no efficiency gain for the educational system, vouchers not designed to increase the choice set available to households “*could only produce redistribution of income away from the taxpayer to the wealthy households who enrol their offspring in private schools*” (Brunello-Checchi, 2005: 33). At the same time, low-income students could remain in a low-opportunities and low-quality school trap (Checchi, 1999: 217-222).

It is indeed difficult to assess whether the Italian-style voucher systems increase efficiency, because these have been active for a few years only.

Empirical evidence is not conclusive in the US too. In the US the efficiency seems to be limited in any case, as there has been a greater differentiation among schools not implying better average quality (Ladd, 2002; Mitch, 2004: 272-276). Moreover, constraints to join the voucher programs (such as the existence of a ceiling to fees, compliance with public standards set by the state, no

discrimination among students) let almost only confessional schools to be included in the programs.

International experiences on vouchers, whether used for education or different ends, shows that positive results in terms of costs and quality can be obtained only when some basic conditions are satisfied, such as the existence of a plurality of agents, simplified choices to be made (for the irrelevance of transaction costs, asymmetric information), repetition of choices and absence of externalities (Beltrametti 2004: 59-67). As such conditions are difficult to be met in practice, there are uncertain and limited benefits to draw from vouchers in terms of efficiency. It is then advisable to design voucher programs to increasing the opportunities and welfare of a subset of students, worthy but not wealthy (Ladd, 2002: 18-21; Epple-Romano, 2002: 30-31). Consistently with this conclusion, means-tested tight-scale redistributive programs, limited to low-income families – as in the spirit of the 2000 Italian law on the school system – could comply with the Italian Constitution<sup>7</sup>, and increase the choice set available to households (Pomini-Rangone, 2004: 177).

## **5. The features of the Italian private system of education.**

Italian private schools are characterised by three main features. First, the likelihood of enrolment is positively correlated with the father's education level, family's income and expectations, and (in primary and lower secondary schools) the absence of a housewife mother (Checchi-Jappelli, 2007).

Second, the quality of teaching is not better than in the public sector, as shown by a higher participation to remedial activities, a lower quantity of homework (i.e. lower effort required), the students' age (i.e. more students who have been held back by repetitions)<sup>8</sup>, PISA scores controlled by parental education and socio-economic status (Brunello-Checchi, 2005: 6-8). Also university outcomes are better for the public sector students, while private schools allow to improve the

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<sup>7</sup> Which, as we have said, forbids the public funding of private schools.

<sup>8</sup> But primary education, because private schools allow to gather early starters in order to shorten the educational career of the kids.

performance only for a subset of students, coming from best family backgrounds (Bertola-Checchi, 2004).

PISA figures show that students' science scores in private schools – both government-dependent and independent institutions – rank above public schools only in Piedmont and Alto Adige (table 8). Moreover, when controlling for economic, social and cultural status of students and schools, public schools scores are much higher than private schools in every region, so that the difference between them ranges from 31 points in Alto Adige to 124 in Friuli (table 9).

**Table 8**  
**Italian students' performance on the OECD PISA scores,**  
**by region and type of school (2006)**

Region	Performance of public school students			Performance of private school students				
	% of students	Science	Reading	Math	% of students	Science	Reading	Math
Alto Adige	96,6	526	502	513	3,4	537	515	529
Friuli V.G.	96,8	535	518	513	3,2	496	534	497
Liguria	91,5	495	490	478	8,5	422	429	430
Lombardia	92,8	505	495	491	7,2	461	466	459
Piemonte	89,2	507	504	491	10,8	515	517	502
Trentino	84,7	537	528	523	15,3	431	400	423
Veneto	91,2	531	519	517	8,8	467	454	454

Source: elaborations on OECD, 2007b: table S5b.

**Table 9**  
**Differences of performance on the OECD PISA scores**  
**between public and private schools in Italian regions (2006)**

Region	Difference in performance on the science scale between public and private schools	PISA index of economic, social and cultural status			Difference in performance after accounting for the PISA index of economic, social and cultural status of:	
		Public schools	Private schools	Difference	students	students and schools
Alto Adige	-8	-0,10	0,32	-0,42	-4	31
Friuli V.G.	39	0,05	1,12	-1,07	67	124
Liguria	82	0,13	0,61	-0,48	94	114
Lombardia	57	-0,13	-0,04	-0,08	59	64
Piemonte	-8	0,01	0,79	-0,78	18	65
Trentino	106	0,04	-0,49	0,53	93	59
Veneto	64	0,00	0,04	-0,04	65	68

Source: elaborations on OECD, 2007b: table S5b.

Third, tuition fees represent the price for the lower effort to get the diploma, the access to informal networks (which is very important in the Italian labour

market), the homogeneous cultural or confessional culture, the additional facilities and services provided (Checchi-Jappelli, 2007).

While the average class size in Italy appears to be very close in both public and private institutions, the ratio of students to teaching staff is sharply lower in private schools than in public ones, differently from other major OECD countries, the United Kingdom excluded (table 10).

**Table 10**  
**Average class size and ratio of students to teaching staff,**  
**by level and type of school (2005)**

	Average class size				Ratio of students to teaching staff			
	Primary education		Lower secondary education		Lower secondary education		Upper secondary education	
	Public schools	Private schools	Public schools	Private schools	Public schools	Private schools	Public schools	Private schools
France	n.a.	n.a.	23,4	24,8	13,9	15,5	9,6	12,5
Germany	22,0	23,1	24,7	25,8	15,8	13,0	14,2	12,8
<b>Italy</b>	<b>18,3</b>	<b>19,1</b>	<b>20,9</b>	<b>21,4</b>	<b>10,3</b>	<b>7,3</b>	<b>11,9</b>	<b>4,4</b>
Spain	19,4	24,2	23,8	26,7	11,2	16,2	7,4	11,5
United Kingdom	25,8	10,7	24,3	9,7	18,6	7,2	12,5	7,8
United States	23,6	19,4	24,9	19,3	15,7	10,7	16,5	12,2
<b>UE19 average</b>	<b>21,7</b>	<b>20,1</b>	<b>23,8</b>	<b>22,7</b>	<b>13,8</b>	<b>12,7</b>	<b>13,2</b>	<b>12,0</b>
<b>OECD average</b>	<b>20,3</b>	<b>18,9</b>	<b>22,5</b>	<b>21,6</b>	<b>11,9</b>	<b>11,4</b>	<b>11,9</b>	<b>11,4</b>

Source: OECD, 2007a: tables D2.1-2.3.

As Brunello and Rocco (2004: 24) point out, “...private schools can offer alternatives to quality in exchange for a positive price. The empirical evidence from Italy suggests that they offer leisure”. Besides leisure, they also offer services not provided by public schools: early start of compulsory education, full-day school, integrative activities, labs, etc. Notably, full-day school could represent a substitute for welfare state services and/or family care of children when there is no presence of a housewife mother.

These features of the private sector are framed into the Italian society, characterised by the generational persistence of inequalities, and the wide role of familistic and informal networks in the labour market. To a large extent, education levels and opportunities depend not on primary (innate capabilities, personal effort), but on secondary factors (social context, family economic and cultural resources of the family, school quality) (Checchi, 1999: 109-161; Ballarino-Checchi, 2006; Checchi, 2006).

Intergenerational mobility is low, notwithstanding a very low cost of public education and the equal opportunities that are guaranteed by low access costs to it. Indeed, there is empirical evidence of self-selection in education tracks and the path to the university, due to the segmentation of upper secondary schools, according not only to the capabilities of the students, but also to their parents' income and cultural level (Checchi-Zollino, 2001; Brunello-Checchi, 2006; Checchi-Flabbi, 2006).

Social stratification occurs through the schooling process and the family behaviour: *“Educated parents provide a more stimulating cultural environment for their children, and help them in their homework. At the end of compulsory education (at the age of 13) their children obtain positive evaluations and are advised to proceed further in academic oriented secondary schools. At the opposite side, children from uneducated parents are more likely repeating some year, ending compulsory school with low evaluations and following their teachers' advice to enrol vocational or technical schools. Early tracking determines future destinies of children: high schools are characterised by less repetitions, almost total absence of track changes and high transition rates to university; at the opposite extreme, vocational schools are populated by students unconvinced of their curricula, with repeated failed years, and they exit with low intention to go on with tertiary education”* (Checchi, 2003: 24-25).

## **6. Can increased competition between private and public schools lead to a better system?**

Privatization policies – most notably the system of vouchers – should be evaluated according to criteria relating to productive efficiency, equality and social cohesion, freedom of choice (Belfield-Levin, 2002: 35-52).

From the point of view of efficiency, in Italy there are a number of reasons why greater competition between the public and the private sector could not enhance the school performance (Beltrametti, 2004: 87-113)<sup>9</sup>. First, the conditions

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<sup>9</sup> Consider, however, that the mission of public schools according to the Italian Constitution is not simply that of enhancing human capital, but to implement the right of citizens to education.



for the good performance of the few private schools and universities of prestige existing in Italy are difficult to replicate, at least in the medium run. In addition, the “exit” mechanism underlying the competition has its shortcomings, as it reduces the interest and participation of politicians and families in the life and performance of educational institutions (“voice”). Thirdly, the exit of some students from public schools can contribute to the reduction of an enriching variety of experiences, capacities and positions. Fourthly, abandonment or weakening of the common standards set by the government could also increase asymmetric information, thus reducing efficiency. Finally, because of the existence of fixed costs, the efficiency of the public school system might not improve and could indeed deteriorate.

Actually, a significant correlation appears between high outcomes and some financial and economic factors: endowment and maintenance of school structures, availability of labs and integrative activities, motivation of the actors in the education system, higher level of education of the parents, probability of unemployment of the family location as an incentive to spend effort (Bratti-Checchi-Filippin, 2007: 8-16).

From the point of view of equity and social cohesion, the possible polarisation of students could lead to the formation of ghettos, a deeper social stratification, a reduction in tolerance and integration as well as intergenerational mobility, a rise in ideological fundamentalism.

From the point of view of freedom of choice, there is no empirical evidence that families modify their educational choices when vouchers are of a limited amount, i.e. not entirely covering tuition fees and general maintenance of students, are offered. A quasi-market scheme where the government retains a significant role in setting standards and ensuring dissemination of the relevant information while financing privately-provided educational services through a system of vouchers of a sizeable amount, would certainly entail losses in some kind of freedom (i.e., the parental freedom to choose the best schools for their children), but would also ensure gains in some other kind of freedom (i.e., the freedom for future citizen for which the possibility of socializing and deciding in autonomy is important) (Granaglia, 2007)

## 7. Concluding remarks

Bad-designed vouchers and low-quality private sector fail to increase either efficiency or opportunities, if factors causing self-selection of scholastic tracks and intergenerational persistence of inequalities are not removed. On the contrary, inequalities rise, as low-income students enrol in public schools endowed with low resources (Checchi-Zollino, 2001: 19-21; Checchi, 1999: 217-222).

General-purposes voucher systems, as in the Italian experimentations, are poorly effective. They fail to remove constraints to family choices, because they are not aimed at specific targets or subset of students whose educational tracks should be supported for efficiency or equity reasons.

The current debate on vouchers could shift political focus from structural and resource problems to the freedom of choice. The latter is an important element of social wellbeing and equal opportunities, but it results only as an ideological objective if structural issues are not tackled. Notably, it appears rather paradoxical that in the Northern regions, where incomes are higher and there are no efficiency issues of public schools, the support for vouchers is wider; while in the South, whose PISA scores are at the bottom of the OECD ranking (with very critical peaks), vouchers are not implemented, except in the right-wing led Sicily.

All this conceals financial and economic factors influencing students' outcomes and territorial disparities indeed. Notably, a suitable socio-cultural environment appears to be an important issue, to the extent that, especially in the South, high unemployment rates make the study effort not worthy to undertake, in order to find a better job and to earn higher incomes. In such a situation, the youth choose alternative paths, e.g. working in the irregular (even crime) sector, perceived as more rewarding than investing in their human capital: "*A policy simultaneously targeting schools, families and the local socio-economic environment might be much more effective in reducing territorial disparities*" (Bratti-Checchi-Filippin, 2007: 16-17). The same can be said for the reduction of generational disparities.

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