



# Education and Training Monitor 2013

## Italy

## 1. Key indicators and benchmarks

	Italy		EU average		Europe 2020 target / Benchmark
	2009	2012	2009	2012	
<b>1. Early leavers from education and training</b> (age 18-24)	19.2%	17.6%	14.2% EU28	12.7% EU28	<b>EU target: 10%</b> National target: 15-16%
<b>2. Tertiary educational attainment</b> (age 30-34)	19.0%	21.7%	32.1% EU28	35.7% EU28	<b>EU target: 40%</b> National target: 26-27%

## ET 2020 Benchmarks

3. Early childhood education and care (4 years old - year before start of compulsory primary)			98.2%	96.8% <sup>11</sup>	91.7%	93.2% <sup>11</sup>	95%
4. Basic skills Low achievers (15 year-olds; Level 1 or lower in PISA study)	Reading		21.0%	:	19.6%	:	15%
	Mathematics		24.9%	:	22.2%	:	15%
	Science		20.6%	:	17.7%	:	15%
5. Learning mobility	Initial vocational training (IVET)	a. Students participating in Leonardo da Vinci programs as a share of vocational students at ISCED 3	0.3%	0.4% <sup>11</sup>	0.6%	0.7% <sup>11</sup>	
		b. Erasmus inbound students as % of student population in host country		1.0% <sup>11</sup>		1.1% <sup>11</sup>	
	Higher Education	c. Inbound degree mobile students as % of student population in the host country		3.5% <sup>11</sup>		7.0% <sup>11</sup>	
6. Employment rate of graduates (age 20-34) having left education 1-3 years before reference year			60.6%	54.3%	78.3%	75.7%	82%
7. Adult participation in lifelong learning (age 25-64)			6.0%	6.6%	9.3%	9.0%	15%

## Proposed ET 2020 benchmark

<b>8. Foreign languages skills</b>	a. ISCED 2 students at proficiency level B1 or higher in first foreign language <sup>1</sup>	:	:	:	43.5% <sup>11</sup>
	b. ISCED 2 students learning two or more foreign languages	99.4%	99.4% <sup>11</sup>	58.6%	60.8% <sup>10</sup>

## Other ET 2020 Indicators

<b>9. Investment in education and training</b>	a. General government expenditure on education (% of GDP)		4.6%	4.2% <sup>11</sup>	5.5%	5.3% <sup>11</sup>
	b. Annual expenditure on public and private educational institutions per pupil/student in € PPS	ISCED 1-2	€ 6,770 <sup>08</sup>	€ 6,176 <sup>10</sup>	€ 5,732 <sup>08</sup>	€ 6,021 <sup>10</sup>
		ISCED 3-4	€ 7,213 <sup>08</sup>	€ 6,711 <sup>10</sup>	€ 6,964 <sup>08</sup>	€ 7,123 <sup>10</sup>
		ISCED 5-6	€ 7,457 <sup>08</sup>	€ 7,379 <sup>10</sup>	€ 9,309 <sup>08</sup>	€ 9,168 <sup>10</sup>
<b>10. Digital competences</b>	a. Pupils in grade 4 (ISCED 1) using computers at school		63.2% <sup>07</sup>	60.0% <sup>11</sup>	60.7% <sup>07</sup>	64.7% <sup>11</sup>
	b. Individuals aged 16-74 with high computer skills <sup>2</sup>		23.0%	24.0%	25.0%	26.0%
<b>11. Entrepreneurial competences</b>	Individuals aged 18-64 who believe to have the required skills and knowledge to start a business		41.0%	30.0%	42.3% <sup>a</sup>	42.0% <sup>a</sup>
<b>12. Vocational education and training</b>	Share of vocational students at ISCED 3		59.0%	60.0% <sup>11</sup>	49.6%	50.3% <sup>11</sup>
<b>13. Skills for future labour markets</b> Projected change in employment 2010-2020 in %	High qualification		:	24.1%	:	19.1% EU28
	Medium qualification		:	13.1%	:	4.6% EU28
	Low qualification		:	-17.9%	:	-20.2% EU28
<b>14. Low-skilled adults</b>	Literacy		:	27.7%	:	19.9% EU17
	Numeracy		:	31.7%	:	23.6% EU17
	Problem solving in technology rich environments <sup>3</sup>		:	26.9%	:	13.0% EU17

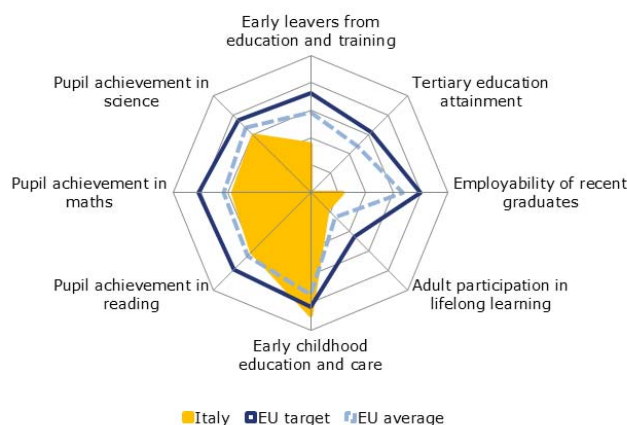
Source: Cedefop: 13 / EAC: 10a,b / European Survey on Language Competences (ESLC): 8a / Eurostat (Government finance statistics): 9a / Eurostat (LFS): 1, 2, 6, 7 / Eurostat (ISS): 10b / Eurostat (UOE): 3, 8b, 9b, 10c, 12 / IEA TIMSS: 10a / Global Entrepreneurship Monitor: 11 / OECD (PIAAC): 14 / OECD (PISA): 4

Notes: <sup>07</sup> = 2007, <sup>08</sup> = 2008, <sup>09</sup> = 2009, <sup>10</sup> = 2010, <sup>11</sup> = 2011, e = estimate, a = unweighted average b = break, p = provisional

Number of countries included in EU average: PISA=25, Entrepreneurship=18, Language skills=13, ICT/Computers at school=13, others: EU27

<sup>1</sup> = average of skills tested in reading, listening, writing, <sup>2</sup> = having carried out 5-6 specific computer related activities, <sup>3</sup> = Results refer to people without ICT experience and people who failed the ICT test

Figure 1. Position in relation to highest (outer ring) and lowest performers (centre)



Source: DG EAC calculations on the basis of data from Eurostat (LFS 2012 and UOE 2011) and OECD (PISA 2009). Note: all scores are set between a maximum (the highest performers visualised by the outer ring) and a minimum (the lowest performers visualised by the centre of the chart).

## 2. Main challenges

Italy's weak human capital endowment hinders innovation and young people face a difficult labour market. Public expenditure on education as a share of GDP is among the lowest in the EU, notably at tertiary level. Italy performs significantly worse than the EU average in terms of early school leaving and registers the lowest tertiary attainment rate in the EU for the 30-34 year-old age group. Moreover, adult participation in lifelong learning is below the EU average. There is also evidence of a difficult transition from education to the labour market, including for high-skilled young people.

Although some measures have been adopted with a view to improving the quality of the education system, more ambition is needed in some policy areas. Consequently, the 2013 European Semester country-specific recommendation (CSR) on education focused on four topics: stepping up efforts to prevent early school leaving, improving school quality and outcomes (also by reforming teachers' professional and career development), strengthening vocational education and training and improving career and counselling services for tertiary students.

## 3. Investing in skills and qualifications

### Investing in education and training in a context of economic crisis

General government expenditure on education as a share of GDP in Italy is well below the EU average (4.2% vs. 5.3% in 2011). Expenditure per student in purchasing power standard (PPS) is still broadly in line with the EU average at primary and secondary level (while being on a declining trend), but significantly lower at tertiary level. Due to fiscal consolidation needs, in 2012 Italy continued to reduce budget allocations for education, which decreased by around 5% in real terms compared to 2011<sup>1</sup>. With the August 2012 spending review, Italy took steps to increase cost-sharing in higher education, as tuition fees are set to rise by between 25% and 100% for students failing to graduate within the statutory time.

### Skills

School education in Italy produces rather mixed outcomes in terms of basic skills attainment. The unsatisfactory results of 15 year-olds in OECD PISA tests in reading, mathematics and science at national level mask significant regional disparities: despite recent improvements, performance remains poor in Southern regions, while it is in line with or above the EU average in Northern regions. Regional differences can be seen also in the 2011 TIMSS & PIRLS studies on 10 year-olds, conducted by the International Association for the Evaluation of Educational Achievement (IEA), where however Italy shows fairly good results in international comparison, especially in reading. ICT skills levels are close to the EU average, while Italian citizens appear less confident than the EU average about their entrepreneurship competences.

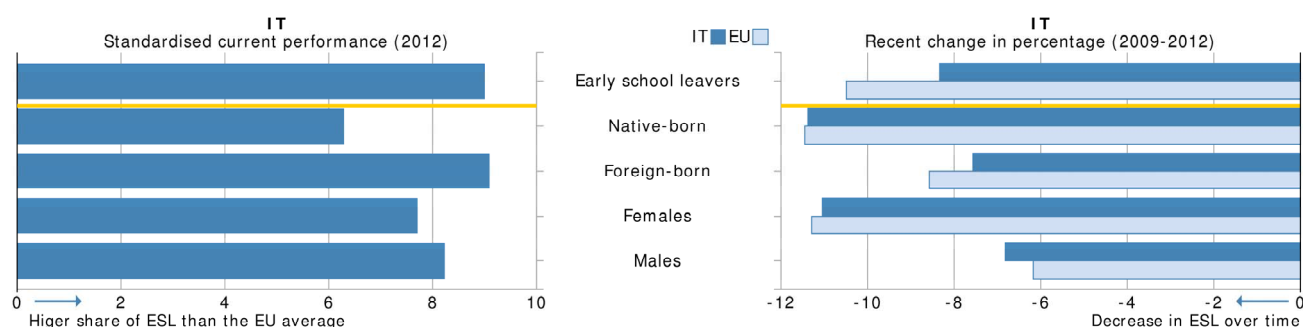
In December 2012, the State, regions and local authorities agreed that as from January 2014, all certifications of qualifications obtained in Italy will have to make reference to the corresponding European Qualifications Framework (EQF) level.

<sup>1</sup> Data expressed in 2010 constant prices. See European Commission (2013), *Recent trends in the funding of education in Europe*.

#### 4. Tackling early school leaving and raising the bar in school education

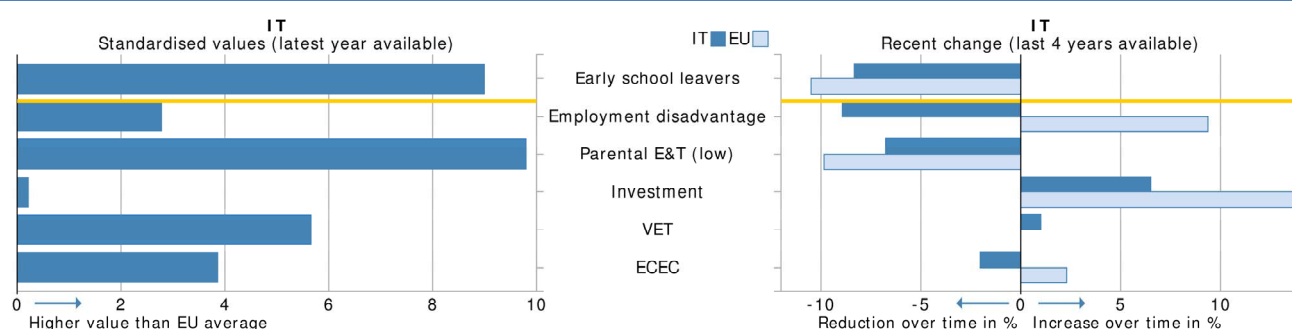
Although on a moderately declining trend, the early school leaving rate in Italy remains markedly above the EU average (17.6% as against 12.7% in 2012) and the national 2020 target of 15-16%. With a rate of 39.1% in 2012, foreign-born people weigh heavily on the overall national rate. The analysis of sub-indicators shows that the family educational background is particularly unfavourable. Italy performs above the EU benchmark on participation in early childhood education, which is relevant for prevention of early school leaving.

Figure 2. Early school leavers of specific population sub-groups



Source: JRC-CRELL. Note: ESL = early school leaving. See Annex 2 for further information.

Figure 3. Early school leavers and sub-indicators



Source: JRC-CRELL. Note: see Annex 2 for an explanation of the sub-indicators.

While there is not yet evidence of a comprehensive strategy against early school leaving<sup>2</sup>, the Cohesion Action Plan<sup>3</sup> has a strong focus on education and in the short term it should be an important tool to fight against early school leaving in Southern regions, where the problem is more severe. The 2013 CSR on education recommended that Italy step up efforts to reduce early school leaving.

In a medium- to long-term perspective, improving school quality and outcomes may help reduce early school leaving. The main measure in this area was approved in March 2013 and establishes a National System for the Evaluation of school institutions, which will be coordinated by the school evaluation agency (INVALSI). In this new system, each school will present its self-evaluation report in accordance with a common framework and using the quantitative data on pupils' performance provided by INVALSI; schools can also be subject to visits by external evaluators. Subsequently each school will prepare a plan for improvement in cooperation with local stakeholders and finally will have to publish a report on results achieved. This new system could prove very useful, if endowed with adequate resources.

School quality and outcomes also matter for future employability of young people. Evidence shows that they strongly depend on the role of teachers<sup>4</sup>. However, at present the teaching profession in Italy follows a single career pathway with salary progression based on seniority only, limited prospects in terms of professional development<sup>5</sup>, no comprehensive assessment of performance and, compared with other countries, low salary levels relative to other workers with tertiary education<sup>6</sup>. Hence the 2013 CSR on education also asks for reforming teachers' professional and career development.

<sup>2</sup> In line with Council recommendation of 28 June 2011 on policies to reduce early school leaving (2011/C 191/01).

<sup>3</sup> The Cohesion Action Plan was adopted at the end of 2011, with the aim to improve the use of structural funds through the prioritisation and the redirection of resources towards some key areas, including education.

<sup>4</sup> See European Commission (2012), *Supporting the Teaching Professions for Better Learning Outcomes*, SWD(2012) 374.

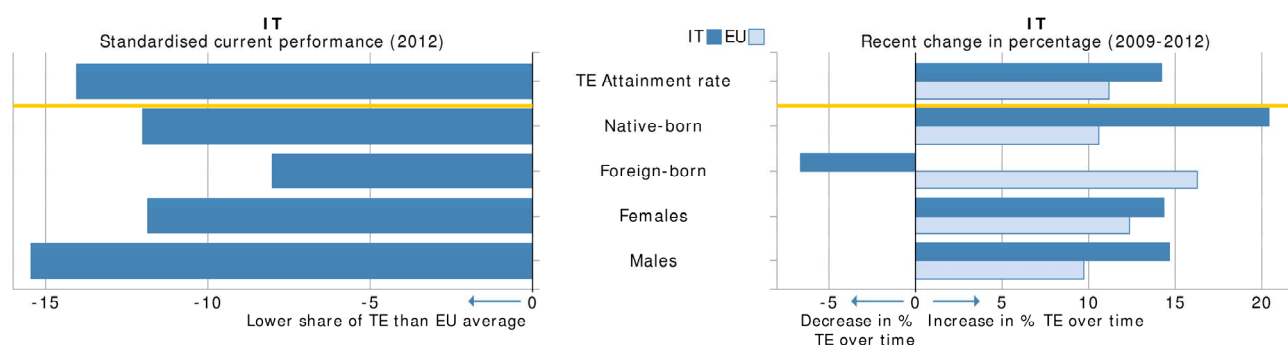
<sup>5</sup> For instance, according to the 2008 OECD TALIS survey of teachers in lower secondary education, 56% of Italian teachers wanted more professional development.

<sup>6</sup> While in Italy the annual number of teaching hours is in line with the EU average at primary and upper secondary level and slightly below at lower secondary level, the ratio of teachers' salaries to earnings for workers with tertiary education is significantly lower. It

## 5. Encouraging participation in tertiary education and modernising higher education

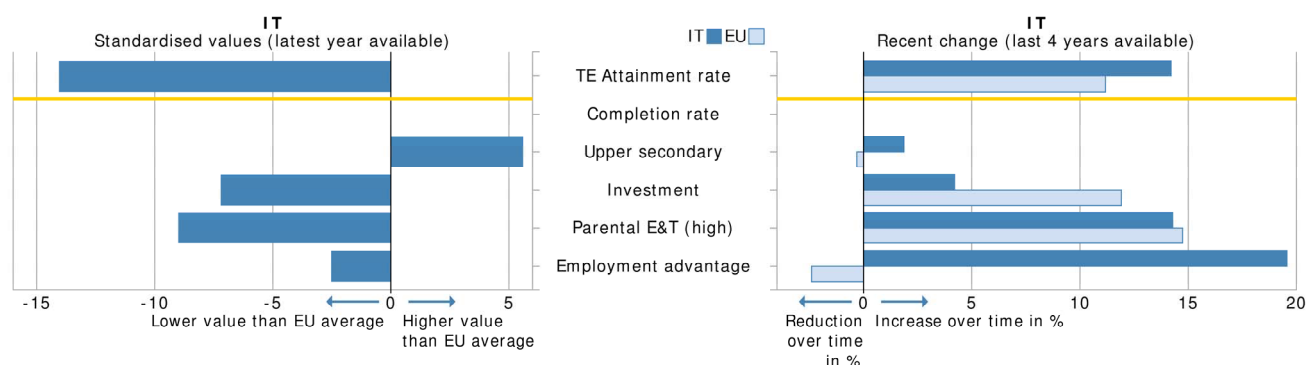
As regards the Europe 2020 target on tertiary education, Italy's tertiary attainment rate is the lowest in the EU (21.7% in 2012 for 30-34 year-olds, with females clearly outperforming males) and only increased by 2.7 percentage points over 2009-2012, remaining well below the 2020 national target of 26-27%. As in the case of ESL, the analysis of sub-indicators shows that the family educational background is particularly unfavourable in EU comparison.

Figure 4. Tertiary educational attainment of specific population sub-groups



Source: JRC-CRELL. Note: TE = tertiary education. See Annex 2 for further information.

Figure 5. Tertiary educational attainment and sub-indicators



Source: JRC-CRELL. Note: see Annex 2 for an explanation of the sub-indicators.

To fully implement the 2010 university reform, the Self-Evaluation, Evaluation and Accreditation System of universities (AVA) is now being gradually introduced. Inter alia, the AVA system foresees that university institutions and courses which do not respect a number of quality criteria might be closed. The university and research evaluation agency (ANVUR) will be the main actor in the new system. In July 2013 ANVUR published its report on the evaluation of universities' and public research institutes' research quality (VQR) in the 2004-10 period.

In a medium- to long-term perspective, a proper and adequately funded evaluation system is key to improving the performance of Italy's tertiary education sector. This is linked to another important principle of the 2010 university reform, namely that an increasing share of public funding for universities is to be allocated on the basis of teaching and research performance.<sup>7</sup> Nevertheless, so far the share of public funding distributed according to these principles only rose from 7% in 2009 to 13% in 2012.

In order to help students make a more informed choice and thus contribute to reducing tertiary dropout rates, a single web portal (*Universitaly*) presenting all the available courses in the university system was launched in July 2012. However, this appears to be a relatively minor measure, while targeted action to adapt the supply of high-level skills to labour market needs is still insufficient. For instance, the 2013 CSR on education asks for improving career and counselling services for tertiary students. In September 2013, decree-law 104/2013 made career and counselling activities to upper secondary students compulsory as from the penultimate year of upper secondary education<sup>8</sup>.

ranges from 58% for primary teachers to 65% for upper secondary ones, compared with an EU average ranging from 80% to 89%. See OECD (2013), *Education at a Glance 2013*.

<sup>7</sup> As from 2013, research performance is measured through the VQR.

<sup>8</sup> The list of stakeholders that can be involved in these activities was extended to include also Chambers of Commerce and private employment services.



## 6. Facilitating the transition from education to work

The skills issue in Italy is relevant not only in terms of levels, but also in terms of mismatch in the labour market for the young cohorts, compounded by the effects of the economic crisis. The employment rates of recent graduates from both upper secondary and tertiary education are among the lowest in the EU and are deteriorating in the recent years. While the overall unemployment rate is still close to the EU average, both the youth unemployment rate and the unemployment rate of young tertiary graduates<sup>9</sup> are very high. At the same time, private returns for young people from investing in tertiary education, estimated in terms of earning differentials, are low<sup>10</sup>.

Employment in medium and high qualification jobs in Italy up to 2020 is forecast to increase faster than the EU average, also because now it represents a lower share of total employment (64% as against 77% in 2010).

To facilitate transition to work, the June 2012 labour market reform aims to make the apprenticeship contract a major port of entry towards stable jobs. In line with the labour market reform, the government adopted on 11 January 2013 a legislative decree establishing the national system for the certification of skills, including the identification and recognition of non-formal and informal learning. This could contribute to better exploiting the competences acquired all over life. A proper translation into practice, also taking account of the exclusive regional competences on training policies, will be key to making the new system effective.

Participation of upper secondary students in vocational education and training remains above the EU average (60% as against 50.3% in 2011). An agreement with Germany has been concluded in December 2012 to promote cooperation in enhancing mobility, network projects including employers and trade unions and an increase in the work-based learning component in vocational education and training.

Starting from the 2011/12 academic year, 62 higher vocational institutions (*Istituti Tecnici Superiori*, ITS) have been created to provide short-cycle tertiary qualifications (2 years) focused on key sectors of the Italian economy. Although they still involve a limited number of students, the ITS are potentially relevant in promoting the development of the vocational higher education system, consistently with the 2013 Annual Growth Survey priorities on tackling unemployment. However, avenues for action remain to be explored in order to upgrade the vocational education and training system, as recommended in the 2013 CSR, both at upper secondary and tertiary level.

## 7. Upgrading skills through lifelong learning

Adults in Italy score below the EU average in the literacy and numeracy tests of the Survey of Adult Skills (PIAAC<sup>11</sup>), at all ages. The youngest generation (aged 16-24) scores better than the overall population in literacy (by 10 points, i.e. equivalent to skills usually acquired with 1 to 2 years of education). However, recent graduates in tertiary education (aged up to 29) do not score better than upper secondary graduates in the best performing European countries. Italy has also a large proportion of inactive people among the high-skilled population (about 24%).

Close to 30% of adults have low literacy and numeracy skills (at level 1 or below) compared to an EU average of 19% for literacy and 24% for numeracy. These low-skilled people are 6 times less likely to participate in job-related learning compared to high-skilled people<sup>12</sup>.

This is linked to low participation of adults in lifelong learning, which remains low in EU comparison (6.6% vs. 9% in 2012), although it slightly increased in 2012. In 2010, only 56% of Italian enterprises provided vocational training to their staff, as against an EU average of 66%. To increase participation, Italy has recently defined a national system for lifelong learning, building on the experience of upper secondary schools providing evening courses and the local centres for adult education (CTPs). From the school year 2013-2014 CTPs and evening courses will merge in the Centres for Adult Education (*Centri provinciali per l'Istruzione degli Adulti*, CPIA). The new Centres based in lower and upper secondary schools will be a kind of autonomous institution, organised in service networks, mainly at provincial level, with the same autonomy of mainstream schools.

The implementation of the European Agenda for Adult learning has stepped up for the period 2012-2014, in order to improve coherence of adult learning and socio-economic development as well as cooperation with different stakeholders to address the problem of the low skilled.

<sup>9</sup> In 2012, the unemployment rate for tertiary graduates aged 25-29 was 19% in Italy vs. 10.3% in the EU-27.

<sup>10</sup> For the age group 25-34, in Italy the relative earnings of tertiary graduates with income from employment correspond to 122% of those of persons with only upper secondary education, whereas the OECD average is 140%. See OECD (2013), *Education at a Glance 2013*.

<sup>11</sup> Volume I of the Education and Training Monitor (chapter 6) provides an overview of the results of the survey. Skills levels are presented either in terms of average score points or proportion of adults at a given proficiency level in literacy or numeracy (level 1 to 5) or problem solving in technology-rich (ICT) environments (level 1 to 3 or no ICT experience).

<sup>12</sup> At EU level, low skilled adults are 5 times less likely to participate in job-related learning than high skilled adults.