

Is Italy's University Reform Really A Failure?

“Success depends on how well a nation utilizes its people”
(G. S. Becker, 1992 Nobel Prize for Economics)

Eleven years after the Bologna Declaration and nine since Italy implemented its University reform, it is not too soon to assess its results. We can now look at “the way we were” and compare the characteristics and performance of graduates under the old and the new systems. The aim is to examine the changes that have occurred over this long transition period and determine to what extent and in what areas the reform has attained the objectives of improving performance and bringing Italy closer to European standards, or whether the reform has fallen short of these goals.

Even though the transition has not been fully completed – some 8% of the students who graduated in 2009 were still in pre-reform courses of study – the wealth of documentation available now allows much clearer evaluation of graduates at all levels of the reformed university. This applies especially to first-level graduates completing the 3-year courses, where the population is closest to becoming completely stable. Outcomes and graduates' assessments of their courses have been studied according to the Galilean principle of measuring the measurable. The result very often contrasts sharply with the opinion insistently voiced by so many critics both within and outside the university that the reform has been an all-round flop.

AlmaLaurea's vast array of updated documentation, available at www.almalaurea.it, is an important tool for sound evaluation of the reform. As Luigi Einaudi, a former Italian President, said: ‘to know is to govern’. Although numbers are of course not everything, they remain the indispensable basis for any serious, reliable assessment. The data must be thoroughly investigated if we are to avoid being swayed by prejudice and drawing hasty conclusions. Careful consideration of the data available is especially important to avoid the most insidious of the many traps lurking in the university setting: not so much pretending not to see, as many illustrious colleagues have put it, but failing to look – with the risk, as Norberto Bobbio warned, that the outside world sees academia as inhabited by people who have a clear idea of what Italian society should look like but are totally unaware of what it really is.

It should be recalled that unlike the pre-reform system in which graduates could be classed under one category, the 2001 reform has produced several graduate ‘profiles’ depending on the course of study taken. In addition, when comparing the human capital characteristics produced by the two systems (pre and post-reform) and their employment outcomes, we should bear in mind that the comparison is between programmes differing in length, objectives, characteristics, study prospects, etc. A further distinction must be made between ‘pure’ graduates whose programme fell entirely within the new reformed university system and ‘hybrid’ graduates who often migrated from a pre-reform to a post-reform programme, usually on account of a chequered university career. Obviously, the reform can only be assessed on the basis of the ‘pure’ graduates, the ‘children of the reform’. This distinction is rarely

considered, however, with the result that investigations end up by providing poorer overall results for post-reform graduates.

All this shows the need for more detailed inquiry, going beyond summary data referring to the whole graduate pool. The differences within the pool must be considered and the wide variability in diverse areas closely analysed. Only in this way will it be possible to distinguish positive aspects and critical areas, to which study programmes have given good results and which have not. If we are to arrive at an overall assessment of the human capital available to Italy in any given year, it is equally important to assess the state of progress of the reform within the different universities, faculties, and specific courses.

It bears repeating that the overall results of our survey yield a more positive picture than is frequently painted.

Over and above the large number of **university degrees** granted (293,000 in 2009 compared with 172,000 in 2001, an increase of 71%, largely due to a doubling of the number of types of degree), a salient feature is the 22.5% increase in the number of training years provided by universities, which suggests an increase in the efficiency of the university system. Since the reform (from 2001 to 2007) total public university expenditure grew by 23% in real terms, while the number of training years delivered increased by 36%. This helped improve Italy's average educational attainment, which has long been far below international standards. The 2009 OECD survey reports that 19% of all Italians aged 25-34 had university degrees in 2007, barely over half the OECD average of 34% (Germany 23%, the UK 37%, the US 40%, France 41%, Japan 54%). With the adoption of a new 10-year employment and growth stimulus strategy in June 2010, the European Council has set the target of a 40% university graduate rate among Europeans aged 30-40, helping create the desired European Higher Education Area (EHEA).

Italy's low ranking has deep roots. The country's 55-64-year-old population has a 9% rate, less than half the OECD average. Albeit to a lesser degree, this poor performance also involves entrepreneurs and executives in both the public and private sector. Indeed, this generally poor level of education may well be the root cause of the country's broad failure to grasp the strategic role of investment in higher education and R&D for international competitiveness, and the low priority that continues to be assigned to these factors. These are values, objectives and prospects that should be part of any university's DNA but that often have been interpreted with woeful short-sightedness within a self-referential context of immediate vested interests in lieu of the wider aims of developing our society as a whole. This disregard and lack of vision are naturally reflected in the scantiness of the resources allocated to higher education and research.

In 2009, 72% of all first-level graduates were the first in their families to go to university. In part this is because broader sections of the population from less affluent social strata have now gained access to university studies. Moreover, these "first-timers" also have a slightly better record of finishing their studies on schedule! Extending access to higher education cannot but enhance and broaden the human

capital and skills available to the country. The phenomenon is not confined to the traditional university age cohort of 19-year-olds. The reformed system has also been able to tap a growing population of adults who have gone to university for the first time or who have resumed their studies.

Any future scenario, however, must take into account the fall of almost 14% in the number of **new enrolments** in the last 6 years. This is the combined effect of demographic decline, a decrease in adult enrolments following the initial reform period, a lower inflow rate from secondary school (the data for 2008 giving 68.4% compared with 74.5% in 2003), and the increasing difficulty many families have in sustaining the direct and indirect costs of university education. Nor is the situation likely to improve. In the next 10 years, despite the robust input from the immigrant population, new university enrolment is forecast to fall by a further 2%.

Age at graduation and **time to graduation**, two historically weak points of the Italian university system, are gradually improving. Discounting the enrolment of older students – a new feature that must be taken into account in future university organisation – **age at graduation** went down from 27.2 in 2001 to 25 in 2009. Specifically, the average age of first-level graduates was 23.9 years, that of second-level, or Masters, graduates 25, and that of graduates of single-cycle specialist courses 26.1. Almost 29% of first-level students completed their studies before age 23. In terms of **time to graduation**, the percentage receiving their first degree on schedule (which for our calculations, unlike the CNVSU statistics, has always included those finishing at the winter exam session) has improved fourfold, from 9.5% in 2001 to 39.2% by 2009. Even more encouraging is the performance of second-level graduates: 50.1% graduating on time and another 25% within just one extra year.

By field of study, however, the picture is drastically diversified. In the health profession courses, 73% completed their studies on schedule and 41% in the chemistry-pharmacology group, compared with just 18% in law and 28% in architecture.

The considerable number of first-year university dropouts remains a clear signal that there is still much to be done in pre-enrolment counselling. Almost one fifth of all newly enrolled students dropped out in the first year, and the figures continued to rise as courses proceeded, especially in the sciences, where Italy is already lagging behind in the international rankings. Such high dropout figures beyond the freshman year indicate substantial waste of resources and a great deal of personal frustration. The result is a university system that, with a number of exceptions, performs poorly in terms of overall productivity.

Attendance has risen sharply, including at faculties where in the past courses were attended irregularly. An overall rise of 23% was reported among first-level graduates in 2009; second-level graduates had a 33% rise, specialist single-cycle courses saw a 35% increase in attendance rates. In practically all sectors, **language and IT** skills improved strongly. **Work experience** increased, especially outside the university setting, indicating that collaboration between universities and the business

and professional world has become a practical reality, not just commitments on paper. The fact that 55% of the latest batch of graduates (and 61% among first-level graduates 61%, three times as many as before 2000, have had outside work experience valid for degree credit is an important of the new understanding and mode of collaboration among the most dynamic academic and business institutions. Graduates' opinion of these work experiences is generally positive.

Study periods abroad by Italian graduates diminished in the first few years after the reform, owing to such factors as the shortening of degree courses, the dense lecture curriculum and added financial burden for families. Foreign study gradually picked up to involve 13.9% of all 2009 graduates. European Union programmes, primarily Erasmus, have been the main driver, other study courses (Overseas, etc.) and personal initiatives have helped swell the numbers of those going abroad. While the number of first-level graduates going abroad declined compared to the pre-reform period, under Erasmus in particular, almost 18% of all specialist and second-level graduates had some period of foreign study, which is fairly close to the European goal set for 2020.

Although improved, Italy's **ability to attract foreign students** still lags behind other countries, with less than 3% of all enrolled students coming from outside Italy, just one third of the OECD average. There has also been a modest but steady increase in the number of Italians going to other countries to study, in view among other things of the more dynamic job markets abroad. This minority phenomenon throws into relief a diametrically opposed feature of the Italian system: the persistent tendency of Italian students not to leave home but to choose the nearest university regardless of the degree courses offered, often continuing their studies beyond the first level at the same university. Seventy-nine percent of all first-level graduates studied at a university in their home region, while 85% intended to continue second-^d level studies at the university where they received their first degree. Physical mobility is held back also by the (often) excessive cost to families, especially in areas where there is little or no public support for higher education.

Overall graduate satisfaction with study programmes also continued to improve. In 2001, 27% of all graduates declared they were *highly satisfied* and another 55% *fairly satisfied*. In 2009, 34% said they were *highly satisfied* and 52% *fairly satisfied*.

Performance by the over 47,000 Masters or second-level graduates was particularly brilliant in 2009. This was the conclusion reached after comparison with the best 2001 pre-reform graduates, i.e. those completing their degrees no more than one year behind schedule – a little more than one fourth of the entire graduate population. In 2009, 50.1% of second-level graduates were on time; 53.3% of them had had work experience during their two-year course (compared with 25% of pre-reform graduates). More than 14% went abroad on European programmes (compared with 11% pre-reform graduates), and 71% declared they had a good knowledge of English (compared with 64%).

Notwithstanding the differences between areas and the limitations and difficulties reported, even the most severe critics of the Italian university reform cannot deny that the overall results have been positive. But many maintain that the reform is a failure since very few 3-year graduates have found jobs and a large proportion go on to the higher second-level degree courses.

If the blame for this situation were wholly attributable to the 3-year degree system and the university reform, the criticism would be justified, but this is not the case. The AlmaLaurea Employment Survey (March 2010) and the Graduate Profile (May 2010) show a more complex situation.

Even a cursory glimpse at the findings regarding the employment situation of the nearly 200,000 graduates interviewed at 1, 3 and 5 years following graduation shows widespread and increasing difficulty finding employment. The problem is not confined to first-level graduates who are “less prepared because they have studied less”, according to the constant refrain. Unemployment has risen at similar rates for second-level graduates as well, who have studied two years more. In addition, the phenomenon was found throughout the entire period of observation, i.e. well before the severe international economic crisis of recent years that has hit employment levels, especially youth employment, throughout the western world. The phenomenon also involves graduates who were not affected by the reform. Employment rates three years after graduation for students who finished their studies between 1999 and 2006 fell by 8.6 percentage points (from 85.9% to 77.3%); at five years, the rate fell by 3.8 points (from 90.5% to 86.7%). Job security also worsened, as did the already modest purchasing power of the graduates’ earnings (which averaged barely €1,100 a month one year after graduation).

Yet higher education is still the best investment to ensure a country’s cultural and intellectual progress; learning and skill acquisition remain the most effective way to counter joblessness and the rapid obsolescence of knowledge and to climb the wage ladder. Reliable sources (Istat and OECD) indicate that over a whole working life, university graduates have employment rates more than 10 percentage points higher than secondary-school graduates (78.5% as against 67%). And as elsewhere (Germany, United Kingdom and France), so in Italy the earnings of university graduates aged 25-64 are 55% higher than those of secondary school graduates.

Even though university graduates still account for a relatively small proportion of Italy’s youth, they are not particularly sought after in the domestic labour market. (On international markets they would seem to be more attractive.) University credentials are considered necessary for only 12.5% of new entrants into the Italian job market (Unioncamere-Ministry of Labour, 2010), compared with 31% in the United States (US Department of Labor, 2009).

In fact, although better than the catastrophic figures for the previous year, the Unioncamere estimates for business recruitment requirements in 2010 remain grim indeed. In 2008, estimated graduate intake was 88,000, whereas in 2010 it was 68,800, actually down 22%. Only graduates in medicine, dentistry and civil and environmental engineering scored significant employment increases over the two-year period, and the demand for engineering graduates overall fell by 24%. Similarly,

there is less demand for physicists, and in the country with by far the world's largest cultural heritage, there has been a decline in the demand for graduates with degrees in tourism, cultural heritage and conservation.

Surveys attribute this situation to the longstanding difficulties of the Italian economy, characterised by small and very small enterprises, and to failure to recognise the strategic need to invest in higher education and research to enable Italy to compete on the world stage. This is clearly reflected in the limited allocation of resources to higher education and research.

In both these areas Italy invests a much smaller percentage of its GDP than its main international competitors. There is a failure to appreciate that “while plant and equipment are important attributes of any company, it is equally fundamental that the people who use these tools be highly skilled. This applies to workers and entrepreneurs since growth is impossible with a sound human-capital base. The success of a country depends on that nation's ability to use its people” (G.S. Becker, winner of the 1992 Nobel Prize for Economics).

The latest official reports indicate that within the EU-27, only Bulgaria spends less of its GDP on higher education than Italy. The picture is no better in strategic R&D, where Italy allocated 1.2% of GDP in 2007, dead last among the advanced industrial countries. Business investment in this crucial sector is equally scant. Private sector investment accounts for 50% of the overall investment input, which means 0.6% of GDP. Most of the most advanced countries invest at least twice that much: 1.2% in the UK, 1.3% in France, 1.8% in Germany, 2.7% in Sweden. Yet this cannot serve as an alibi for the mistakes, waste and inefficiencies of Italian universities, even though in times of tight budgets the risk of making the wrong choices is greater.

While the great number of first-level graduates who decide to continue their studies casts doubt on the reformed system's ability to attain the objectives set, the circumstances described do go some way to explaining the decision to put off entry into such a depressed job market. Nor should it come as a surprise that the graduates who pursue further studies tend to be from more advantaged backgrounds and those who live in the most economically sluggish areas. Even many specialist graduates – more than 40% of all second-level graduates in 2009 – elect to continue studying. This trend is not new, however. It was already evident before the reform, as 60% of 2001 graduates continued their education – at a time when the average age at graduation was 28!

A final comment concerns the **quality of degree programme**. This is crucial to any reflection on the university system and the reform. It is widely held that the quality of university credentials has been compromised, especially at the first level, with its shorter course. The argument is based on a good many elements: the fact that students entering university from high school are less well prepared; the shorter degree course; the fall in the hours of lessons; the abolition of the final thesis or dissertation requirement; the belief of many faculty members that a first-level degree

is an inferior qualification, serving merely to select the best students for advanced study. Yet as we have seen the new first-level graduates have attended classes more assiduously, have better language and IT skills, and can boast greater work experience in firms outside the university. Even in the United States, many see no reason why a degree cannot be attained in three years (S.J. Tractenberg, “A Degree in Three”, *The New York Times*, 24 May 2010; the author is President Emeritus of George Washington University).

Two further comments are in order. More than 60% of all lpost-reform first-level graduates continue on to second-level degree courses, so in the end they have more years of higher education than their pre-reform counterparts who left university before 2001. In addition, surveys show excellent performance by these higher-level degree holders. But assessing the quality of the teaching and learning is a highly complex exercise and necessarily requires proper comparison with what was delivered and received previously.

Assessing Italy’s university reform requires an inquiry directed less to assigning blame – an exercise that would spare nobody – and more to determining the causes of failures, waste, difficulties and problems and the actions needed to remedy these shortcomings and really enhance our human capital, adopting a merit-based assessment system. However, the message being sent with alarming frequency to the younger generations by a highly visible minority of the nation’s ruling political and business class is not one that exalts merit. Overcoming the crisis and restoring international competitiveness will be complicated. It can only be achieved with the commitment of Italy’s most dynamic forces. Making credit available to the country’s best, most innovative companies is of course essential. But it is just as important to guarantee them access to top-notch university-trained human resources, innovative forces with greater language and IT skills, people who can increasingly boast work experience and study abroad.

There remains one abiding concern: that these young people, well-trained and capable as they may be, may be trapped between a stagnant economy that is not creating jobs and a research system with no funds. This is a real risk if Italy continues not to realise that higher education and research are vital, strategic areas for investment that must be given top priority especially in times of crisis and resource shortage. In lean times, the farmer will cut back on everything – but never on the seed he sows for the next year.

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