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INEQUALITIES REPORT ENGLISH EDITION

Editor: Federico Fubini

Overcoming barriers to education

DEVELOPMENT AND LEARNING PATHWAYS

From preschool to upper secondary education, a survey on what holds students back and what helps them thrive

2024

N. 1



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Fondazione Cariplo Report on Inequalities: a starting point to reflect over this issue and start developing effective solutions



Since 1991, Cariplo Foundation has contributed to the realization of over 39,000 projects in the fields of Art and Culture, Environment, Scientific Research, and Social Welfare, providing over 4 billion euros for these initiatives

by Giovanni Azzone

President of Cariplo Foundation

However, I believe that, beyond Cariplo's everyday philanthropic commitment on this issue, it is important to highlight the urgent need for knowledge as starting point to act and make informed decisions.

Faced with a global and local context characterized by high complexity and strong changes, the real challenge for Cariplo Foundation, now more than ever, is to strengthen communities, understood as individual communities but also as an ecosystem.

The communities I refer to are made of individuals with their families; but include also non-profit organizations operate, such as Cariplo, as well as institutions and businesses. And communities are also the places where things happen, every day; many of them are surprising, such as the commitment of thousands, millions of people who do their best for others. Often these citizens do not make headlines, but without then we would

certainly have weaker communities, easily undermined by the advance of problems that sometimes seem to leave little room for optimism: the consequences of climate change, demographic trends, global crises, wars.

A common risk we encounter each time the focus goes to the long list of emerging problems, is to feel overwhelmed by despair, and paralyzed in face of a mission impossible in which changes are rare and trends cannot be reversed. It is in those moments that spending a day in a school, a healthcare facility, a parish, or a community center can really help to change the perspective and realize that out there already exists a fertile ground. And thanks to social innovation we have the opportunity to graft new crops. In this framework, Cariplo Foundation acts as an enzyme, triggering reactions and relationships.

However, as I mentioned, to develop effective solutions we need to start from solid foundations; made of knowledge and data.

The report on inequalities is an example of the method with which the Foundation addresses issues, delves into them, and acts. The report is a valuable document that highlights the limits of our society, where inequalities increase from the early years of children's and teenagers' lives and schooling. The awareness supported by scientific evidence, however, offers the opportunity to reflect on how to intervene: in this case, we know that if we want to contribute to the fight against inequalities, we must offer educational, study, training, and in general, cultural opportunities to the most vulnerable people first. Otherwise, they risk to get lost throughout their educational path without acquiring the skills and the ability to fully express themselves and their potentials.

Might we call it ignorance?

Yes. Ignorance is the condition of those who live without knowing which path to take and how to follow it. It's the path to the future, and we must give this perspective to our young people and their families. The path exists, it requires sacrifice and commitment, but it's there.

Allow me a thank you: this important work that you are about to read is the legacy of our previous President Giovanni Fosti, and the boards of directors he chaired between 2019 and 2023. They have the great merit of

“**Ignorance is the condition of those who live without knowing which path to take and how to follow it. It's the path to the future, and we must give this perspective to our young people and their families. The path exists, it requires sacrifice and commitment, but it's there**”

initiating this path and we wish to continue on this direction today and in the future.

Indeed, **the Foundation's mandate between 2024 and 2027 includes the reduction and mitigation of growing inequalities.** We intend to do this working together with different actors and stakeholders as inequalities are not only a social problem but also a cultural one; there are inequalities produced by environmental conditions or access to knowledge and scientific research.

We will therefore commit to making the most of what this report highlights. We are convinced that we can make an important contribution to individual well-being and future of our communities.

Happy reading. ■

Inequality: a wound not only for individuals, but for the community as a whole



Investigating and comprehending the multifaceted phenomenon of inequality in a cross-cutting and collective manner will help us identify new ways to help mend the frayed community bonds on which the future of our people and institutions depends

by Giovanni Fosti

Former president of the Cariplo Foundation (2019-23)

For years we have witnessed growing social fragmentation, a situation where even individuals living in close proximity often experience very unequal living conditions and access to opportunities. These disparities, which are tearing our communities apart, were both underscored and exacerbated by the Covid-19 pandemic.

During and in the aftermath of that crisis, the Cariplo Foundation supported a range of initiatives to foster and strengthen local communities, thereby laying the groundwork for our first-ever report on inequalities.

Community fragmentation often entails inequality of opportunity, a multidimensional phenomenon that deeply impacts not only the lives of individuals but also society at large. **Such inequality engenders a growing divide in terms of people's futures and life prospects, leading in turn to the loss of the human potential of countless youths**, the citizens and workers of tomorrow. At the same time, a significant demographic shift is underway that will give rise to a growing scarcity of young people, making their talents and know-how increasingly vital.

Given our close work with local communities, as well as with other institutions and nonprofit organizations that observe and address people's needs from up close, these dynamics are of great interest and concern to the Cariplo Foundation. Seen from our vantage point, inequality is a wound not only for individuals, but also for the community as a whole, due to its repercussions for people's development and future prospects. **This is why we believe it is critical to zero in on the multifaceted phenomenon of inequality, investigating and comprehending it in a cross-cutting and collective manner.**

In 2022, the Foundation issued its inaugural call for inequality research proposals (*Inequalities Research: Generating Knowledge to Reduce Inequality*), investing €2.5 million to spur studies to help advance understanding of the problem and identify more effective policies to mitigate it. At the same time, we initiated our own research with the goal of producing the Foundation's first report on inequalities. The objective of this initial report is to provide an overview of the phenomenon, considering it in its multiple

dimensions while focusing primarily on the issue of student learning disparities.

The first chapter offers an in-depth analysis of income and wealth inequality, with a spotlight on the situation in Italy, and illustrates how this gap has continued to widen over the past thirty years.

This divide is reflected in the learning pathways of our youth. The second chapter of the report, in fact, explores how students' educational journeys can be negatively impacted by a range of factors linked to their socioeconomic and cultural backgrounds.

The ensuing differences tend to persist over time. Indeed, the third chapter, based on an analysis of data collected by Italy's National Institute for the Evaluation of the Educational and Training System (INVALSI), shows how learning inequalities in our school system remain relatively unchanged from elementary school through middle school.

It is within this framework that we present the qualitative and quantitative research we conducted with two especially significant age groups, preschoolers and adolescents, where we found important differences between those from more and less privileged backgrounds in terms of not only cognitive, but also non-cognitive, skills. Indeed, regardless of their actual talents or potential, students living in more precarious conditions had both lower expectations of themselves and less confidence with respect to their odds of fulfilling those expectations than did their more advantaged peers.

It is not simply a question of different starting conditions, then, that can make individual pathways more or less challenging, but **conditions that are so uneven as to impede access to certain opportunities for growth from a very early age**. Thus we see fragmentation and gaps between the aspirations and overall outlooks of children and adolescents who,

even while residing in the same city, come from very different levels of privilege. In addition, those who have fewer opportunities also tend to have less access to information, fewer social connections, and fewer channels through which to access any opportunities that might be available.

If we want to disrupt the dynamic by which those with few opportunities seem almost destined to have ever fewer over time, we cannot wait for such individuals to take the initiative; we need to deliberately and tenaciously seek out and support them ourselves.

In other words, when it comes to inequality of opportunity, we believe there is a need to be proactive rather than to wait passively for things to change. Necessitated by the increasingly dangerous inequality of future looming ahead for our people, country and democracy, this approach will be key to unlocking the potential of individuals by providing them with true access to opportunities for growth.

But creating opportunities alone will not be sufficient; we need to make them available in the places where they are scarcest, taking great care to identify those most in need of them in order to thrive while pursuing their respective paths. Indeed, if we fail to pinpoint and target the most disadvantaged, we risk missing out on their potential and talents while offering our support to less vulnerable individuals.

This report attests to the Cariplo Foundation's long-standing commitment to invest in and support the potential of individuals and the bonds of our communities. It is a challenge that we share with other economic, institutional, and nonprofit actors and organizations: to explore together new ways to help mend the frayed community bonds on which the future of our people and institutions depends. ■

Why inequality concerns us all

A note on methodology

by Federico Fubini

Few topics are as challenging to address as **inequality**, in part because there is often disagreement over the very methodology and scope of discussion. Is it an issue to be tackled by the nonprofit sector, addressed through policies in support of the most vulnerable, or something best left to the expertise of social scientists?

This report and the work that underlies it are grounded in and shaped by the belief that inequality concerns not only those directly affected by it, but also society as a whole.

Our starting point that diversity is a value to be promoted, rather than a cause of fragmentation, led us to opt for a mix of methodologies to conduct our investigation, with the give-and-take between the different approaches helping us to come to a shared vision. Indeed, the pages that follow alternate between **quantitative inquiry** and **on-the-ground analysis**. After providing an initial overview of inequality, the report delves deeper entering, through its local “fieldwork”, directly in the schools to meet adolescents and kindergarten pupils.

This approach was made possible thanks to the unique vision of the Fondazione Cariplo, which has always sought to ground its activities in actual engagement with people and their lived experiences.

On p. 8, **Simone Pellegrino** investigates the phenomenon of inequality in its most immediate sense: recent developments in terms of income and wealth, and how trends

in Italy are both similar to those in other Western countries and an exception.

On p. 20, **Daniela Fadda, Marta Pellegrini and Giuliano Vivanet** move on to the core of our inquiry, which focuses specifically on the age of development. Their account of how children and young people are impacted by both the strengths and weaknesses of Italian schools provides valuable food for thought.

The same goes for the findings of **Gian Paolo Barbetta, Luca Stella and Lorenzo Vaiani** (p. 32), which are based on an innovative analysis of individual **INVALSI** test results and show how rarely our schools succeed in supporting students to catch up with their peers, and how this achievement gap is often seen in those from less-advantaged backgrounds.

To best frame the issue, we not only analyzed the data, but also engaged directly with adolescents

This is also true with regard to the attitude-sets of preschoolers (including trust in others, self-control and the ability to understand points of view different from one’s own), skills that often vary from as early as age four or five based on a child’s background, as we discuss starting on p. 46.

We found similar differences while conversing with adolescents: starting on p. 60 we describe the responses of high school students coming from diverse backgrounds when asked to describe their aspirations, degree of self-esteem and visions for their futures.

Last but not least, on p. 72 **Valentina Amorese** returns to the starting point of our report, probing further to demonstrate how inequalities are never one-dimensional, but instead the result of a combination of diverse differences (including social, educational and health-related dimensions). The chapter is concluded by a reflection on **inequalities as a concern that does not only touches those who experiencing them, but for all of us.** ■

Summary

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President of Cariplo Foundation



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SPREAD**

by Valentina Amorese



Income and wealth in Italy

Thirty years of transformation

It is about time we assess
the dynamics of income and
wealth inequality to understand
possible solutions

By Simone Pellegrino



“The more unequal a country is with respect to wealth, the more likely it is that its inequality will increase further over time”

This report revisits and updates an earlier publication by the Cariplo Foundation on the same topic, this time with an international perspective. **Its aim is to provide an overview of income and wealth inequality globally, across Europe, and within Italy.**

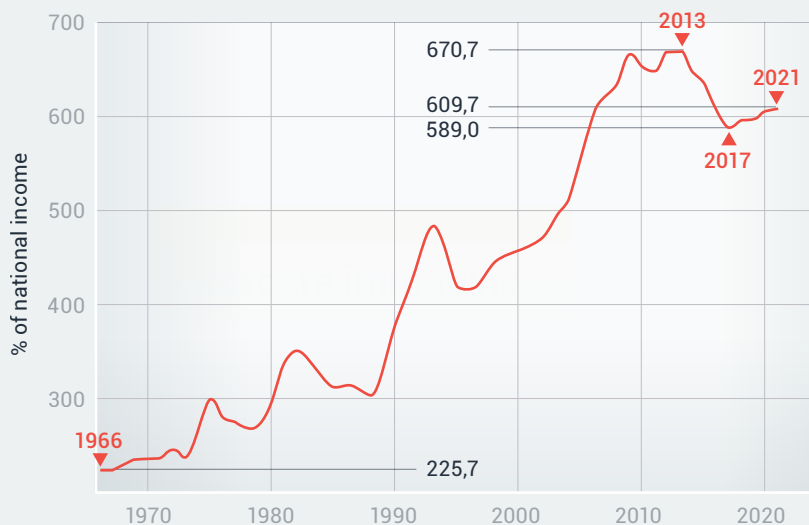
It is important to note from the outset that for a multitude of reasons, describing, measuring, and analyzing the phenomenon of inequality over time and across or within different regions or countries is a very complex endeavor.

Firstly, to do so requires time series datasets, which are not always available; but even when they are, they are not always harmonized. Secondly, to compare inequality levels over time and across different regions or countries, or within a single country, income and wealth must be defined in a comparable

manner. Thirdly, the data that is available may have been collected for different purposes, which might limit researchers to assessing only certain aspects of inequality, sidelining others that are equally important. For example, over time, many datasets have been produced around the world to assess income and wealth inequality both between and within countries. Coming from a range of sources, many are based on sample surveys such as the Italian National Institute of Statistics (ISTAT)'s Survey of Household Income and Living Conditions (SILC) and the European Union Statistical Office (Eurostat)'s Statistics on Income and Living Conditions (EU-SILC), while others, such as the World Inequality Database (WID) are based on tax returns. Others yet are based on sample surveys calibrated using national accounts data.

Sample surveys enable researchers to assess the phenomenon of income or wealth inequality in detail by focusing, for instance, not on just income level, but also on **socioeconomic dimensions such as household composition, the educational level of its members and so forth.** However, these surveys also have significant limitations: because they are constructed by administering questionnaires to respondents, they are at risk of sampling errors. In addition, respondents may provide answers that are not entirely accurate, due in part to their difficulty assessing the actual overall figures. The primary area in which sample surveys provide an incomplete assessment of a given situation is their overall representation of the level of wealth and share of income of the most affluent individuals and/or households. The discrepancy between the incomes actually earned by the richest segment of a population and the incomes reported for them in sample surveys can, however, be corrected by referring to tax data (which is more accurate by definition, since it pertains to all taxpayers and contains precise information reported to tax authorities) and/or national accounts data.

World Inequality Database Net national wealth to net national income ratio, Italy, 1966-2021



Fonte: <https://wid.world>

“**Sample surveys enable researchers to assess the phenomenon of income or wealth inequality**”

However, even analyses based on tax returns have certain limitations. They make possible accurate analyses of income and wealth distribution at the individual level (even for those with high incomes, although only if they pay taxes), but not at the household level, which is the most appropriate unit for inequality analyses. Moreover, tax return data features another important limitation: by definition, it does not account for undeclared or tax-evaded income or undeclared real estate or financial assets. This limitation is especially pertinent in a country like Italy, where the shadow economy represents a significant share of the gross domestic product (GDP). This is one of the reasons why more attention has been paid in recent years to the Distributional National Accounts (DINA) methodology, which uses national accounts data to supplement information derived from other sources, including tax data sources.

Furthermore, by its very nature, tax return data refers to the notion of income used for tax purposes, which diverges from more appropriate theoretical definitions such as “comprehensive income”, “earned income” and “consumption income”). In addition, complexities arise when using tax return data for cross-country comparisons, due to the need to account for different taxation systems as well as to different assumptions regarding income distribution within households and different ways of splitting self-employment income between labor and capital remuneration.

Finally, when certain types of income are not subject to tax,



and thus the income tax base includes only those that are, the generalizability of the findings of analyses are limited unless the data and the distributions of all taxable income and corresponding tax revenues are either available or can be simulated using dedicated models. In conclusion, no single dataset can provide comprehensive general information on unequal income or wealth distribution, which makes it necessary to compare and sometimes integrate a range of datasets.

In light of the considerations outlined above, in order to illustrate inequality trend lines both globally and in a number of countries, this chapter uses information drawn from various datasets that refer, wherever possible, both to sample survey findings and to tax and national accounts data. In particular, the dataset referred to in the first section with respect to the assessment of global inequality is the aforementioned WID, which

No single dataset can provide comprehensive general information on unequal income or wealth distribution, which makes it necessary to compare and sometimes integrate a range of datasets

reports a range of economic variables as well as income and wealth distributions, using adults as its unit of reference and drawing on both tax and national accounts data. **The dataset includes time series from almost every country in the world, but the reference period varies from country to country.** The second section of the chapter, instead, makes use primarily of **Eurostat's Statistics on Income and Living Conditions (EU-SILC), which is carried out yearly for all European countries.**

THIRTY YEARS OF TRANSFORMATION

Global income and wealth inequality

How to correct imbalances

In Italy, the Gini index of incomes before welfare is 44.4 percent (2021). For Europe as a whole, however, it goes up to 48 in the same year

Without taking into account government economic or fiscal measures to reduce inequality, the Gini coefficient of global income inequality trends notably high. In 2022, it stood at 66.9. [Note: All of the Gini coefficients in this paper have been multiplied by 100]. However, if we look at the data

by continent, we find marked differences. Classifying the world's continents into three broad groups, the first of which containing Africa, Latin America and Asia, we find that in 2022 gross income inequality in the first two (67.4 and 69.7, respectively) was slightly higher than the global level,

while in Asia it was lower (64.4). The second group of continents, consisting of North America and Oceania, had Gini coefficients of 57.7 and 56, respectively, while Europe had the lowest level of gross income inequality among the world's continents (48.6).

Global net wealth inequality is much higher than global gross income inequality, and has also remained more stable than the latter over the past two decades. Overall, wealth is extremely concentrated: in 2022, the Gini coefficient of global net wealth inequality was 84.4, slightly lower than in 1995, when it stood at 86.6. At the continental level, Latin America had the highest net

wealth inequality (88) in 2022, while in Africa the figure was just slightly lower (84) in the same year. The values found for the continents of North America and Asia, almost equal to one another (82.1 and 82, respectively), were significantly lower. Finally, Europe and Oceania had the lowest net wealth inequality (76.5 and 77.6, respectively) in 2022.

“**Global net wealth inequality is much higher than global gross income inequality, and has also remained more stable than the latter over the past two decades**”

To facilitate a comparative analysis between countries, we decided to look at the disparate inequality indices in several Western nations: Germany, France, Italy, Sweden, Spain, the United Kingdom and the United States. With the exception of Spain and France, we found an upwards trend in levels of gross income inequality as measured by the Gini coefficient.

In Spain, the Gini coefficient rose in the 1980s (increasing from 44.2 in 1980 to 48.8 in 1989), fell in the 1990s, and later settled around 44 to 45 (45.2 in 2022).

In France, inequality also rose in the 1980s (42.9 in 1980 and 45.6 in 1989), fluctuated and shifted slightly downwards between 1990 and 2010, then began to shift back upwards over the last decade (46.1 in 2022). In Italy, Germany

and the United Kingdom, inequality climbed sharply in the period we considered (1980-2022). In Italy, the Gini coefficient climbed from 41.9 in 1981, to 44.4 in 1990, to 48.5 in 2001, to 50.6 in 2013 and to 53.1 in 2022. In Germany, the level of inequality rose from 41.9 in 1980, to 45.4 in 1990, to 47.5 in 2002 and to 49.8 in 2013, before shifting slightly downwards in recent years (46 in 2022). In the UK, the level of inequality rose from 40.8 in 1980, to 46.7 in 1992, to 48 in 2001 but since 2010 it started to decline reaching 45.7 in 2022.

Finally, inequality grew steadily in both Sweden and the United States over the same forty-year period. The level in Sweden was lower compared to those found in other countries considered above, while in the United States it was significantly higher.

The Gini coefficient for Sweden was 31.5 in 1980, 37.8 in 1999, 42 in 2010, and 43.7 in 2022, while in the United States it rose sharply over the same period: from 45.4 in 1980, 55 in 2000, 58.4 in 2012, on to 62.7 in the three-year period leading up to 2022.

“**With the exception of Spain and France, we found an upwards trend in levels of gross income inequality as measured by the Gini coefficient**”



Apart from some slight exceptions, a general dynamic found in all of the countries we analyzed pertained to the trend in the share of total gross income going to the bottom 50% and bottom 50% to 90% of the population, as well as to the top 10% and top 1% of the population. WID data, in fact, shows a drop in the share of total gross income going to the bottom 50% and much higher growth in the share of total gross income going to the top 10% and top 1%. Specifically, of the countries we considered, the one where the highest share of total gross income went to the bottom 50% of the population was Sweden, although

that share fell over the past four decades, from 28.5% in 1980 to 21.42% in 2022. In contrast, the country where the lowest share of total gross income went to the bottom 50% of the population was the United States; there, too, the share shrank over the same forty-year period, from 19.3% in 1980 to 9.9% in 2022. As to the other countries we looked at, some, including Italy, saw a drop in the share of total gross income going to the bottom 50% of the population (from 20.3% in 1980 to 15% in 2022), while this share fluctuated, with some periods of growth, in France, Germany, Spain and the United Kingdom. In contrast, the

share of total gross income going to the top 10% grew significantly in Italy, the United States, Sweden and Germany, while it fluctuated but remained relatively stable in France, and decreased slightly in Spain.

WID data shows a drop in the share of total gross income going to the bottom 50% and much higher growth in the share of total gross income going to the top 10% and top 1%



Global wealth inequality is much more concentrated than income inequality. The country that has seen the greatest change in net wealth inequality over the last quarter of a century is Italy, where the Gini coefficient rose from 61.6 in 1995 to 75.3 in 2021. But of all the countries we considered, the United States is the one with the highest net wealth inequality, with an increase from 81.8 in 1995 to 84.5 in 2007, followed by a surge to 88.2 by 2012. It later shifted downwards again, dropping to 84.8 in 2019 (the most recent data available in the dataset we used). In Spain, the level of net wealth inequality in 2021 was 71, similar to the level in 1995 (70.4). After declining between 1999 and 2005, it began to rise once again. In the rest of the countries considered, wealth inequality dynamics were less marked: in 2021, the Gini coefficient in France was 73.2 (rising from 68.6 in 1995); in Germany, 74.8 (73.2 in 1995); in Sweden 74 (73 in 1995); and in the United Kingdom, 72.8 (69 in 1995).

As already mentioned, Italy is a particular case; in fact, while its level of wealth inequality (75.3 in 2021) was in line with that of the other countries considered, it also grew exceptionally rapidly over the past twenty-five years. The rise in wealth inequality has led to a dramatic increase in the country's wealth-to-income ratio, a less prominent phenomenon in the other countries we looked at. Indeed, when examining the share of wealth held by the bottom 50% of the population in each of the countries considered, we found only a slight decrease in every country but Italy, where it shrank drastically from 9.8% in 1995 to 2.2% in 2015.



However, the share of total net wealth held by the fifth to the ninth wealth deciles (the bottom 50% to 90%) of the population has varied less dramatically in all of the countries we looked at except for Italy, where it fluctuated markedly, and France and Spain, where it decreased in the late 1990s, but later began to trend back upwards. The United States is the only country among those we looked at where this indicator has declined steadily.

The share of wealth held by the top 10% fluctuated similarly, although steadily, in all of the countries we looked at except for Italy, where it increased considerably, from 44.7% in 1995 to about 56.2% in 2017.

We find a somewhat similar pattern when it comes to the share

“The share of wealth held by the top 10% fluctuated similarly, although steadily, in all of the countries we looked at except for Italy where it increased considerably”

of wealth owned by the top 1% of the population, which grew considerably in Italy, from 16.4% in 1995 to 22.1% in 2021 (after reaching a peak of 25.5% in 2014); the United States (from 28.9% in 1995 to 35.3% in 2019); and France (20.4% in 1995, 29.3% in 2000, then, after dropping for some years, rising again to settle around 26.8% in 2021). In Germany, Spain and Sweden, the share of wealth owned by the top 1% grew less.

These trends highlight how pronounced inequality has been in recent decades, in terms of both income (without taking into account economic or fiscal measures) and net wealth. However, over the last ten years the overall trend has been somewhat less marked, particularly when we look at income distributions while taking account of such measures.

Eurostat statistics on household equivalized disposable income show that the average Gini coefficient for Europe has hovered around 30 over the last decade; however, there is significant variation across the region. Slovakia has the lowest level of inequality (21.2 in 2022), while Turkey has the highest (42.6

in 2021). Italy is situated at the lower-middle end of the spectrum, with a Gini coefficient of 32.7 in 2022; inequality levels hit a peak in 2018 (33.4), but overall, fluctuated little over the period. Among the Western European countries, Italy currently has the highest level of inequality, along with the United Kingdom (33.5 in 2018, the most recent figure available) and Spain (32), while the other major countries have lower levels: 29.8 in France, 28.8 in Germany, and 27.6 in Sweden.

Comparing Gini coefficient differences in 2010 and 2022 (or in any case the most recent year for which data is available), again while taking into account government measures, we see that over the last decade or so

inequality grew considerably in several countries across Europe, including Bulgaria (33.2 in 2010 vs. 38.4 in 2022), Hungary (24.1 in 2010 vs. 27.4 in 2022), Norway (23.6 in 2010 vs. 27.5 in 2022) and Sweden (25.5 in 2010 vs. 27.6 in 2022). Others, however, saw their inequality levels shrink: this is true of Croatia (31.6 in 2010 vs. 28.5 in 2022), Ireland (30.7 in 2010 vs. 27.9 in 2022), Poland (31.1 in 2010 vs. 26.3 in 2022) and Slovakia (25.9 in 2010 vs. 21.2 in 2022).

These trends highlight how pronounced inequality has been in recent decades, in terms of both income and net wealth



The final dimension correlated with inequality is poverty.

Household poverty is measured in two ways: **absolute** and **relative**. A household is considered to be in a situation of absolute poverty when its income or consumption level is not enough to purchase a specific basket of goods and services deemed essential for daily survival, or to avoid severe deprivation of basic needs.

Relative poverty, instead, describes a situation in which the income of a household or an individual is significantly lower than the average or median income or consumption level of a household or individual in the reference community. Thus a household or individual is considered relatively poor if their standard of living, however high, is nevertheless substantially lower than the standard of living of others living in the same area (most typically, the same country).

Below we refer to Eurostat statistics on the share of households across Europe defined at risk of poverty, i.e. those with income at the threshold of 60% of national median equivalized disposable income.

Eurostat data shows that 15.6% of households in the European Union's 27 member states were at risk of poverty in 2022.

Fourteen EU countries had higher shares, including 22.2% in Albania (2021), 21.6% in North Macedonia (2020), 20.2% in Romania and 19.8% in Italy. In 2022, both Sweden and Portugal had shares that matched the European average, while 18 countries had lower shares, including the Czech Republic (7.8%), Slovenia (19.7%), Ireland (11.2%) and Belgium (11.8%).



Looking at the changes that occurred between 2010 and 2022, we see that the average share of households at risk of poverty across Europe remained constant, although it rose to 17.7% in 2017 and then fell again. Some countries saw significant drops in poverty levels, including Lithuania (22.4% in 2010 vs. 16% in 2022), Montenegro (24% in 2011 vs. 19.2% in 2022), Poland (17.4% in 2010 vs. 14% in 2022), Serbia (27.5% in 2011 vs. 19.4% in 2022) and Germany (15.6% in 2010 vs. 13.4% in 2022), while in others poverty climbed, including in Slovakia (11.5% in 2010 vs. 13.2% in 2022), Sweden (14.4% in 2010 vs. 15.6% in 2022), Norway (10.9% in 2010 vs. 13.1% in 2022), the Netherlands (10.1% in 2010 vs. 14.1% in 2022), Luxembourg (14.2% in 2010 vs. 16.9% in 2022), France (12.7% in 2010 vs. 14.6% in 2022) and, finally, Italy (17.8% in 2010 vs. 19.8% in 2022).

“Looking at the changes that occurred between 2010 and 2022, we see that the average share of households at risk of poverty across Europe remained constant”

THIRTY YEARS OF TRANSFORMATION

A focus on Italy

The strong growth of wealth as a proportion of people's incomes

A problem emerges when accumulation becomes increasingly concentrated in the hands of a tiny minority

As to Italy, ISTAT has made statistics available on household equivalized disposable income (the amount of money after taxes and public transfers that is the disposable for consumption), both including and excluding imputed rents.

The two indices corresponded from 2003 to 2010, with a minimal drop in inequality and thereafter, until 2021, a rise, although with some fluctuations.

In 2017, the Gini coefficient of disposable income hit a peak 33.8 with imputed rents excluded, and 30.7 including them; afterwards came a string of fluctuations which ended, with a slight decline, in

2021, when the Gini coefficient stood at 33.3 with imputed rents excluded and 30.1 including them. Further analysis indicates that there are differences across Italy in regard; in 2021, inequality (including rents) was highest in the islands, including Sicily and Sardinia (30.2), and Southern Italy (29.9) and lowest in Northeast Italy (27), while it stood at 29.5 in Northwest Italy and 28.4 in Central Italy. The situation seems marginally different from 2019, when inequality was 31.7 in the islands, including Sicily and Sardinia, 31 in Southern Italy, 28.7 in Central Italy, 28 in Northwest Italy, and 26.5 in Central Italy.

Having examined the dynamics of (gross and net) income and wealth inequality, let's now look into how the wealth-to-income ratio has been trending. We will again refer to the WID dataset, analyzing the trend in several countries of national wealth, household wealth and public wealth in relation to income.

Italy has one of the highest household wealth-to-income ratios among high-income countries, one that has grown rapidly since the 1960s.

The country also has one of the highest national wealth-to-income ratios; only Spain and, more recently, France, surpass it. In addition, Italy has the lowest level

of public wealth; indeed, it actually has a significantly negative value. Thus from this perspective, too, it holds a unique position on the international stage.

Given Italy's abovementioned peculiarities, some further considerations might help better understand the context in which inequality analyses need to be done, and, above all, the role that public policy could play in curbing income and wealth inequality in the future, also given the mixed composition of GDP as labor income and capital income.

Recent studies investigating wealth inequality in Italy (*Acciari and Morelli, 2021; Acciari et al., 2021; Acciari et al., 2022*) include one that analyzed data from inheritance tax records from 1995 to 2016. Although tax forms were not required to

In recent years, the composition of the wealth held by the richest segment of the Italian population differed from that of the remaining segments of the wealth distribution



be filed for all inheritances, the data included information on the bequests of around 50% to 60% of decedents for each of the years under investigation.

The study's authors found that in recent years, the composition of the wealth held by the richest segment of the Italian population differed from that of the remaining segments of the wealth distribution. The vast majority – almost 90% – of the wealth owned by the top 0.01% of households, in fact, consisted of **financial and business assets**, a share that fell to around 60% for the top 0.1% and less than 40% for the top 1%; the share for the rest of the distribution, i.e. the bottom 90% to 95%, was just 20% to 25%.

Real estate wealth accounted for less than 20% of the wealth held by the bottom 50% of households, 60% of the wealth held by the median 40% (i.e., the bottom 30% to 70%) of the distribution, and 70% of the wealth held by the top 10%; however, the study's authors found that in this last segment (decile) of the distribution, real estate wealth accounted for less and less of total wealth with only a few percentage points for top 0.01% of the distribution.

As to **current and savings accounts and debt**, the share of the top 50% of the distribution was quite low, while it accounted for the majority share for the bottom 50%.

Regarding **income and the redistributive effect of government measures**, an even more recent study (*Guzzardi et al., 2023*) presented the distribution of total income and net income and the effect of redistribution in Italy from 2004 to 2015. Specifically, examining all possible income sources, the authors showed how

on the right end of the income distribution, **income received was not primarily labor income, but rather other types of income**, including financial income, real estate rental income, and self-employment and business income. **In Italy, these types of income are not subject to the progressivity of the personal and progressive income tax, but instead to smaller substitute rates.**

The study also analyzed the **overall progressivity of Italy's tax system** by assessing the average incidence, measured as the ratio of all taxes paid to the sum of all incomes. The authors found that the system was only slightly progressive (the incidence varied between 40% and 50% as income rose), and only up to the 95th percentile of the individual income distribution. The system actually became regressive for the top 5% of the income distribution, with the incidence shrinking to 36% for the top 0.1%. ■

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Educational institutions in Italy The tough road ahead for our schools

The challenge of ensuring effective learning pathways for youth from a broad range of backgrounds

by Daniela Fadda, Marta Pellegrini and Giuliano Vivinet





“Young people who acquire high-level skills are more likely to go on to play active roles in society”



There is a long tradition and a wealth of literature on educational inequalities.

This chapter focuses on Italian schools, and the impact that the socioeconomic and cultural circumstances of students can have on their learning pathways.

We will begin by looking at some general data from the Organisation for Economic Co-operation and Development (OECD), an international organization that conducts surveys on a range of key global issues and provides access to an extensive collection of data. One of these tools, the **Better Life Index** dataset, makes it possible to compare well-being across countries based on eleven fundamental life dimensions. Italy both outperforms and underperforms other OECD countries here, with above-average results in the areas of health, work-life balance and civic engagement and below-average results in those of income, jobs, environmental quality, community, life satisfaction and education.

Research has shown that the quality of the latter correlates highly with the quality of life not just for individuals, but also for society as a whole. Broadly speaking, in fact, better-educated individuals are more likely to play active roles in society, feel more fulfilled, enjoy better health, and live longer than their less-educated counterparts. By the same token, when young people drop out of school, or in any case attain low educational levels, the consequent negative repercussions include lower average incomes, and thus more limited opportunities; lower tax revenues, with a consequent adverse impact on the economy;



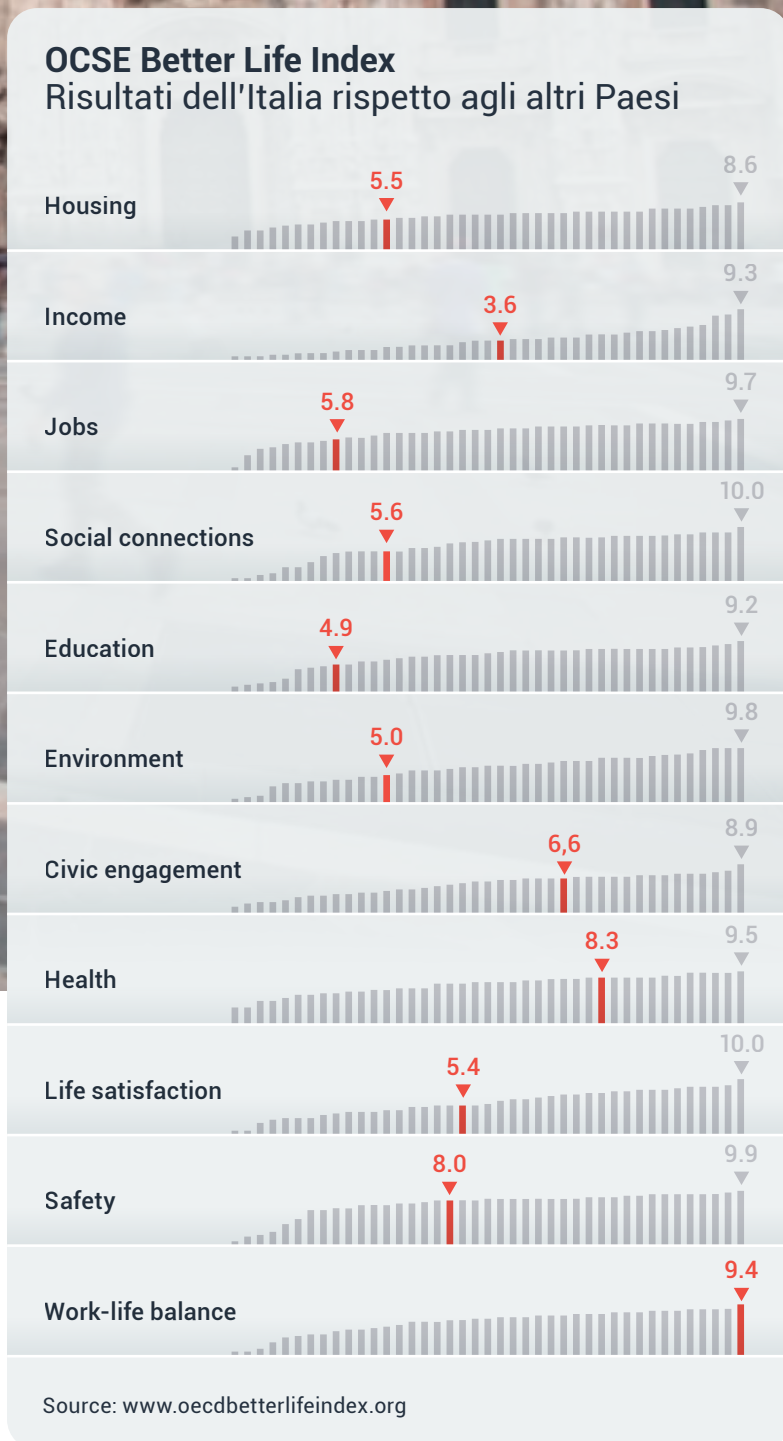
and higher social welfare and legal expenditures for the state.

Yet even while it is true that there are significant differences across OECD countries, it is fair to say that to date, none has succeeded in building an equitable educational system that provides equal learning opportunities for all.

When we talk about “equitable” educational systems, we do not mean that by the time students finish their studies, each ought to possess identical knowledge and skills, but rather that the differences that may exist among their respective learning levels should not have been driven by their family background, gender,

Research has shown that the quality of education correlates highly with the quality of life not just for individuals, but also for society as a whole

OCSE Better Life Index
Risultati dell'Italia rispetto agli altri Paesi



geographic origins, resources and assets or lack thereof, immigrant status or other such factors, which they are neither responsible for nor in control of.

With that said, our goal now is to provide an overview of recent findings on the relationship between the socioeconomic and cultural circumstances of students and schooling in Italy. We will examine how the aforementioned factors can impact learning outcomes, the choices young people make in relation to the different upper secondary school pathways open to them, their likelihood of attaining specific educational qualifications, or instead dropping out of school prematurely and, finally, their overall well-being.

As we will see, all these dimensions are closely interconnected. For instance, consider how an adolescent's poor academic performance might fuel a sense of self-doubt about their abilities, and how this, in turn, might lead them to feel even less engaged and motivated vis-à-vis their studies, worsening the situation and leading the teen to question the very sense of continuing to study, thus potentially influencing their entire life trajectory.



THE TOUGH ROAD AHEAD FOR OUR SCHOOLS

Learning outcomes

School entry and starting conditions

There is a high probability that the most disadvantaged students will attend equally disadvantaged schools

In terms of education, the aforementioned **Better Life Index ranks Italy 31st out of 41 countries** based on the skill levels of its students, whose average score (most recently assessed in 2018) in reading literacy, mathematics

and science was 477, eleven points below the OECD average of 488. Students in Italy underperform in reading literacy and especially science compared to their peers in other OECD countries, but they are substantially average in terms of

their math skills. There are marked differences based on the type of educational institution and the gender of students. For example, high school students score higher in reading than their peers in technical



“**Students in Italy underperform in reading literacy and especially science compared to their peers in other OECD countries**”

Given the impact that social inequalities can have on students' academic performance, the situation in Italy, while clearly also affected by such disparities, is better than the OECD average: indeed, the country ranks 13th out of the 39 countries surveyed. However, this is not the case countrywide: the situation in Central and Northern Italy is less problematic than it is in Southern Italy, including Sicily and Sardinia, where, recent INVALSI data show, the higher the grade level, the wider the achievement gap becomes (2023). This is the case not only at the individual level but also that of schools themselves; in fact, stark differences exist between more and less advantaged institutions at every educational level, but especially at the end of lower secondary school. In other words, **there is a high probability that the most disadvantaged students will attend equally disadvantaged schools**, while better-off students are more likely to attend more socioeconomically- and culturally-advantaged schools, thus further exacerbating pre-existing social disparities.

institutes, professional institutes and vocational schools, while female students score higher in Italian and lower in mathematics than their male counterparts (this gender difference emerges as early as 2nd grade, according to 2023 data from the body that evaluates our country's educational system, the National Institute for the Evaluation of the Educational and Training System (INVALSI).

There is also a strong correlation between parental educational level and the academic performance of their children: in general, the higher the former, the better the latter can be expected to be. And the advantage that having at least one parent with a bachelor's degree provides in terms of a student's learning outcome remains more or less stable across all educational levels, with a gap that widens in Italian and English reading and listening (school subjects) during the transition between primary and secondary school.

Likewise, there is a 43-point gap in **reading abilities between native-born students** and foreign-born students (who accounted for **10.3%** of the total in the 2020-21 scholastic year). This gap is more pronounced for first-generation immigrant students, but begins to narrow as early as elementary school for their second-generation counterparts. This seems to suggest that our schools are having a positive impact in terms of shrinking the linguistic disadvantage of such young people.

It is also interesting to note that certain factors seem to lower the risk that students will fail to achieve adequate skill levels. Indeed, those who live in homes with a good number of books, routinely speak in Italian with their families, have access to a computer and an Internet connection, and who attended preschool tend to achieve better learning outcomes than those who grow up in households lacking these attributes.

THE TOUGH ROAD AHEAD FOR OUR SCHOOLS

What influences young people's educational choices?

Family background plays a key role in shaping children's paths of study

Thirty-and-a-half percent of high school graduates have affluent parents

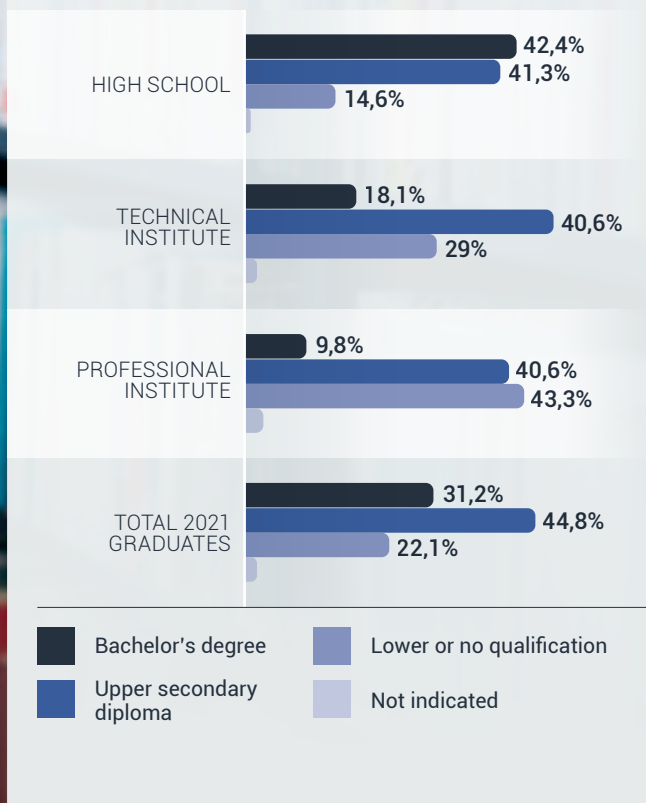
Shifting our focus to the choices made by students who are about to finish lower secondary school, the Italian Ministry of Education (MIUR)'s most recent data, from the 2023-24 school year, reveals that more than half of this group (57.1%) preferred to do their upper secondary study at a high school,

while **30.9%** chose a technical institute and **12.1%** a professional institute.

Recent (2023) data from AlmaDiploma, an organization that offers tools to help youth and high school graduates decide what type of upper secondary or higher education to opt for, shows how

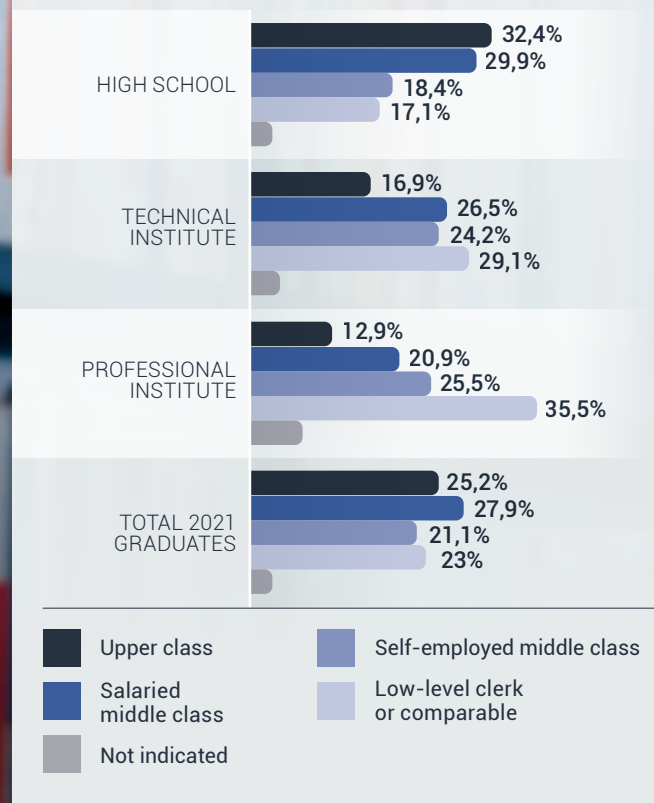
the socioeconomic and cultural circumstances of their families influence this decision. Those who choose to attend high school tend, in fact, to have better-educated and more affluent parents compared to those who decide to continue their secondary education at a technical or professional institute.

Figure 1 2022 graduate cohort: type of upper secondary education by **parental educational attainment level**



Source: Adapted from AlmaDiploma (2023)

Figura 2 2022 graduate cohort: type of upper secondary education by **parental socioeconomic status**



Source: Adapted from AlmaDiploma (2023)

Our data indicate that in 2022, while **42.4%** of those who graduated from high school had at least one parent with a bachelor's degree, only **18.1%** of technical institute graduates and **13.2%** of professional institute graduates did (**Figure 1**).

Similarly, while **32.4%** of those who graduated from high school had parents who were well-off, only **16.9%** of technical institute graduates and **12.9%** of

Students who attend high school tend to have better-educated and wealthier parents compared to students who attend professional or technical institutes

professional institute graduates did (**Figure 2**).

The data also suggest that family background plays a key role in shaping young people's paths of study well before they begin upper secondary education. High parental educational attainment is in fact associated with a greater likelihood that a student will do well in middle school and with her or his decision regarding which subsequent path of study to take.

THE TOUGH ROAD AHEAD FOR OUR SCHOOLS

Educational levels and drop-out rates

Too many young people are at risk of marginalization

The COVID-19 pandemic underscored a new phenomenon: students who graduate from upper secondary education still lacking basic skills

There is especially worrisome data regarding the school drop-out phenomenon, or early school leaving (ELET), i.e., the percentage of young people aged 18 to 24 who have earned at most a lower educational qualification (completion of middle school only) and are neither employed nor on any kind of education or training pathway. According to 2023 data from the Italian National Institute of Statistics (ISTAT), in fact, Italy has one of the highest shares of ELET in the European Union:

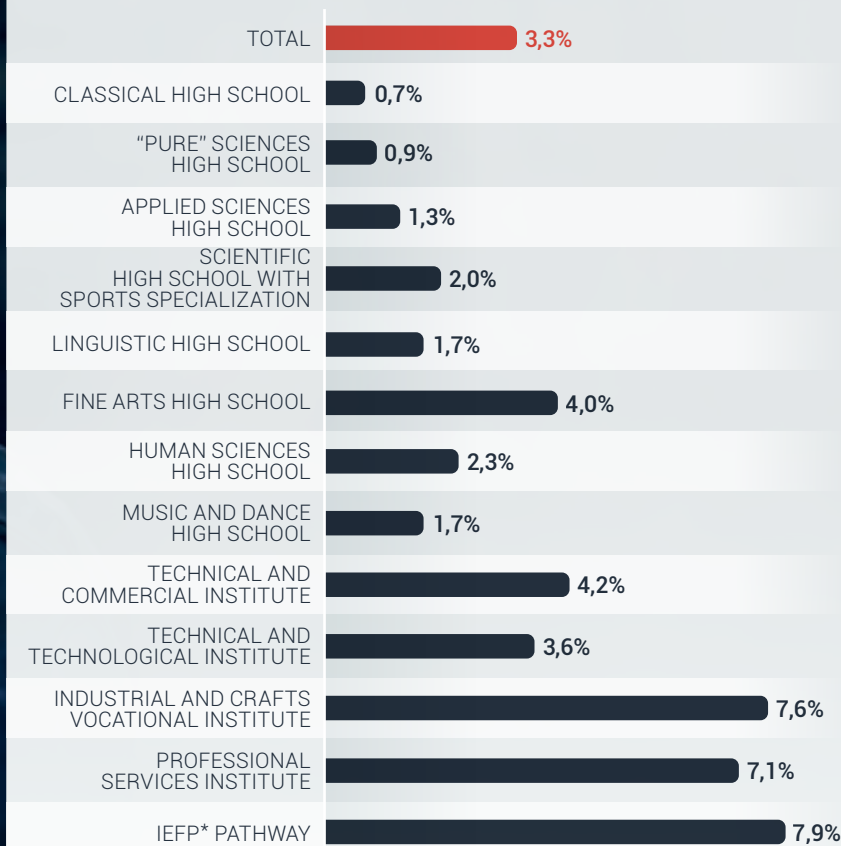
11.5%, well above the 9% set by the EU Council as the 2030 target. While this number has begun to fall recently, Italy still ranks dismally in Europe: fifth from last place.

ISTAT's 2023 annual report highlights the impact of geographic origin and gender with respect to early school-leaving; indeed, school drop-out rates are higher in Southern Italy than elsewhere in the country, and among young men (13.6%) compared to young women (9.1%).

These rates also vary based on the upper secondary education pathways chosen by students: according to 2023 MIUR data, while the drop-out rate at high schools is 1.2%, it climbs to 3.0% at technical institutes and 4.8% at professional institutes (**Figure 3**).

Overall, the phenomenon appears to be closely associated with family background: a very high percentage of drop-outs are, in fact, young people whose parents also have low educational attainment,

Figure 3 Drop-out rates by upper secondary education pathway, school years 2018-19 and 2019-20.



* Institute of employment and vocational training

Source: MI-DGSIS-Ufficio Gestione Patrimonio Informativo e Statistica – ANS. Adapted from MIUR data (2021)

Drop-out rates vary based on the upper secondary education pathways chosen by students



18- TO 24-YEAR-OLDS IN ITALY WHO HAVE COMPLETED MIDDLE SCHOOL ONLY AND ARE NEITHER EMPLOYED NOR ON ANY KIND OF EDUCATION OR TRAINING PATHWAY

as well as low-skilled jobs. As might be expected, **the data is especially concerning when it comes to students who are not Italian citizens**, a group where we find differences based on the age of arrival to Italy. Indeed, recent ISTAT data (2023) reveals that the older students are when they arrive to Italy, the more likely it is that they will end up leaving school early.

However, the problem does not only concern the number of students who drop out of school. Another troubling phenomenon deserves our attention as well:

the number of young people who graduate from an upper secondary institution without having learned the basic skills necessary to either go on to higher education or find a job. The number of such individuals, who are known as **"implicit drop-outs"**, has grown since the onset of the COVID-19 pandemic. Recent INVALSI data (2023) shows that they now account for **13.8%** of upper secondary graduates and can be found throughout Italy, but especially in the southern part of the country, including Sicily and Sardinia. **Thus a substantial share of youth in Italy is at risk of social**

marginalization, a situation that appears even more worrisome if we look at the proportion of young people aged 15 to 29 who have stopped both studying and looking for a job, the so-called NEETs ("neither in employment nor in education or training"). An alarming 19% (climbing to 20.5% if we take only young women into account) versus the European average of 11.7% (ISTAT, 2023).

THE TOUGH ROAD AHEAD FOR OUR SCHOOLS

The well-being of young people

Quality of life and personal motivation

Disadvantaged students are less able to handle stress and less satisfied with their lives than their more advantaged peers

Lastly, we would like to explore a fourth key dimension: the well-being of our students.

Although the concept of well-being is wide-ranging and therefore difficult to define precisely, generally it concerns the overall quality of life of these young people, and incorporates diverse aspects including their physical and emotional health, and their satisfaction with their lives and personal growth.

To better understand the links between the well-being of students and their socioeconomic and cultural circumstances, we surveyed data from the 2015 edition of the OECD's Programme for International Student Assessment (PISA), a triennial survey of 15-year-old students' skills in reading, mathematics and science. It found that the most disadvantaged students had a weaker sense of belonging at school than their

more advantaged peers, and felt less accepted by and connected to their fellow classmates, a feeling that sometimes negatively affected their self-perception, life satisfaction and willingness to learn and engage in serious study. Even when their skills and knowledge matched those of their better-advantaged peers, the most disadvantaged students also reported lower motivation vis-à-vis achieving personal goals and a lower level of self-efficacy in terms

of both their ability to succeed and overall career expectations.

Against this backdrop, the concept of resilience takes on vital importance – that is, the set of skills that can be developed in students who lack them to enable them to cope with the difficulties encountered in life and to excel in school and thereafter, even when they start off socioeconomically disadvantaged. We can classify such students as “emotionally

“**The most disadvantaged students also report being less motivated to achieve their own learning goals**”

resilient” when they report feeling satisfied with their lives, socially integrated at school, and free of excessive test-related anxiety.

The data shows that on average, Italy’s disadvantaged students are less resilient than their counterparts across OECD countries (ranking 39th out of 48); specifically, they have greater anxiety around tests and report lower levels of life satisfaction. However, it is important to note that a number of factors have been shown to foster greater resilience and coping skills in such students, for example, attendance at a preschool or child- or daycare service, a good disciplinary climate in the classroom, positive relationships among teachers, students and parents, quality learning environments and facilities, and the availability of a range of extracurricular activities.

Concluding remarks and next steps

The picture we have presented here vis-à-vis the links between the socioeconomic and cultural backgrounds of students and schooling in Italy is neither exhaustive nor definitive. Significant variances also exist from area to area. Nonetheless, educational inequalities are very much a reality in our country, and they have significant consequences. We would like to close this section of our report by underscoring that learning about the nature and extent of the inequalities that exist in Italy’s schooling system

is but a first step. Indeed, while this knowledge can point us in certain directions, it tells us very little about what might be done to address the problem.

So, what are the next steps?

We believe it would be wise to investigate the findings of the best available research on the issue, both national and international, and use the knowledge gained to identify how we might significantly reduce these inequalities in our own country. Thus, the initial step would be to collect and compare data on the effectiveness of programs

implemented to achieve this end. Following a comprehensive analysis of this data, an innovative countrywide program could be designed and implemented in Italy. Subsequently, it would be necessary to conduct a systematic assessment of both its outcome and its medium- and long-term sustainability. These steps seem appropriate if we want to devise **policies to forcefully address the current situation** and launch **a large-scale plan** to reduce the educational inequalities that currently afflict so many of our young people.



Main findings from the OECD PISA 2022

The OECD PISA 2022 report corroborated the correlation between socio-economic and cultural background and educational attainment

Following the initial publication of this original essay in Italian, the release of the OECD PISA 2022 report corroborated the outlined trends concerning the correlation between socio-economic and cultural background and educational attainment.

Presented below is a concise overview of the key discoveries. **The OECD PISA 2022 evaluates the competencies of 15-year-old students in reading, science, and primarily, mathematics.**

Additionally, it investigates these proficiencies in relation to factors such as gender, socio-economic status, immigrant heritage,

as well as the students' well-being and resilience.

The findings from PISA 2022 are striking; there was a notable decline in mean mathematical performance by a substantial 15 points, marking a threefold increase compared to previous surveys. Similarly, reading proficiency saw a decline of 10 points, twice the magnitude of prior surveys, while science performance remained relatively stable.

This decline suggests a widespread negative impact, potentially exacerbated by the COVID-19 pandemic. However, delving

deeper into the data, analysis of PISA trends predating 2018 indicates a pre-existing decline in reading and science scores before the onset of the pandemic.

Analysis consistently revealed that students from advantaged backgrounds outperformed their disadvantaged counterparts across all countries in 2022

Turning attention to the PISA index measuring economic, social, and cultural factors, it emerged as a significant predictor of mathematical performance across all participating countries and economies. Analysis consistently revealed that students from advantaged backgrounds outperformed their disadvantaged counterparts across all countries in 2022. Although there was minimal widening of the socio-economic performance gap over the past decade in OECD nations, several countries, including Canada, Denmark, Finland, and others, demonstrated high levels of equity and inclusivity. Gender disparities were evident, with boys surpassing girls in mathematics by nine points, while girls outperformed boys in reading by 24 points on average across OECD countries. Notably, there was no significant disparity in science performance between genders. Immigrant students trailed behind their non-immigrant counterparts in mathematics by 29 points on average, but this margin diminished to just five points after adjusting for socio-economic status and home language. Intriguingly, students who attended pre-primary education for at least one year exhibited higher mathematical proficiency at age 15 compared to those who didn't, even after accounting for socio-economic factors.

Examining Italy's educational landscape, average 2022 results showed a decline in mathematics compared to 2018, stability in reading, and an improvement in science. However, during the period of 2018-2022, the gap

between high and low performers remained largely unchanged across all areas.

In Italy, gender differences persisted, with boys outperforming girls by 21 points in mathematics and vice versa in reading by 19 points. Moreover, the proportion of low performers was lower among boys than girls in mathematics,

In Italy, gender differences persisted, with boys outperforming girls by 21 points in mathematics and vice versa in reading by 19 points

while the reverse was true for reading.

Regarding socio-economic status, 29% of Italian students belonged to the top international quintile, achieving an average mathematical score of 512 points. However, students with similar backgrounds in Estonia and Japan achieved notably higher scores. Despite stable socio-economic gaps in mathematics performance from 2012 to 2022, a noteworthy 11% of disadvantaged students in Italy demonstrated resilience by performing in the top quartile. The proportion of immigrant students in Italy increased to 11% in 2022, with a corresponding socio-economic disadvantage. While immigrant students initially trailed non-immigrant peers by 30 points in mathematics and 31 points in reading, these differences became statistically insignificant

after adjusting for socio-economic factors.

Lastly, concerning the “school climate”, **disadvantaged students' sense of belonging deteriorated across OECD countries from 2018 to 2022, while advantaged students' sense remained stable.**

In Italy, both students' sense of belonging and life satisfaction declined compared to 2018. Notably, education systems with sustained high performance and improved student belonging tended to foster safer environments with reduced instances of bullying and other risks. ■



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*“From the very start
of their educational
journey, students in Italy
exhibit a wide range
of learning levels”*



Born “different”

Do Italian schools help the most disadvantaged students to catch up with their better-performing peers?

An analysis of INVALSI test results enables us to understand the learning levels of our students

by Gian Paolo Barbetta, Luca Stella and Lorenzo Vaiani



Early on in their educational career, when children in Italy sit down for their first National Institute for the Evaluation of the Educational and Training System (INVALSI) test in the second year of primary school, they display a wide range of learning abilities. Indeed, some enter school already

able to read and write, while others struggle even to express themselves correctly. These differences are due to a range of factors, including the economic, social and cultural settings into which the children were born and live.

Thus the question we aimed to address in this report is simple: **Does the compulsory and free education provided for by Article 34 of the Italian Constitution help reduce the unequal learning levels that make themselves evident among our students from the very beginning of their schooling?**



For some time now, it has been possible to measure the learning levels of Italian students with increasing accuracy thanks to the standardized tests conducted by INVALSI at specific points during their education, i.e., the second and fifth years of primary school, the third year of lower secondary

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When we revisited the students six years later, by then in 8th grade, we found that the vast majority of those who had started out disadvantaged had been unable to catch up with their better-performing peers
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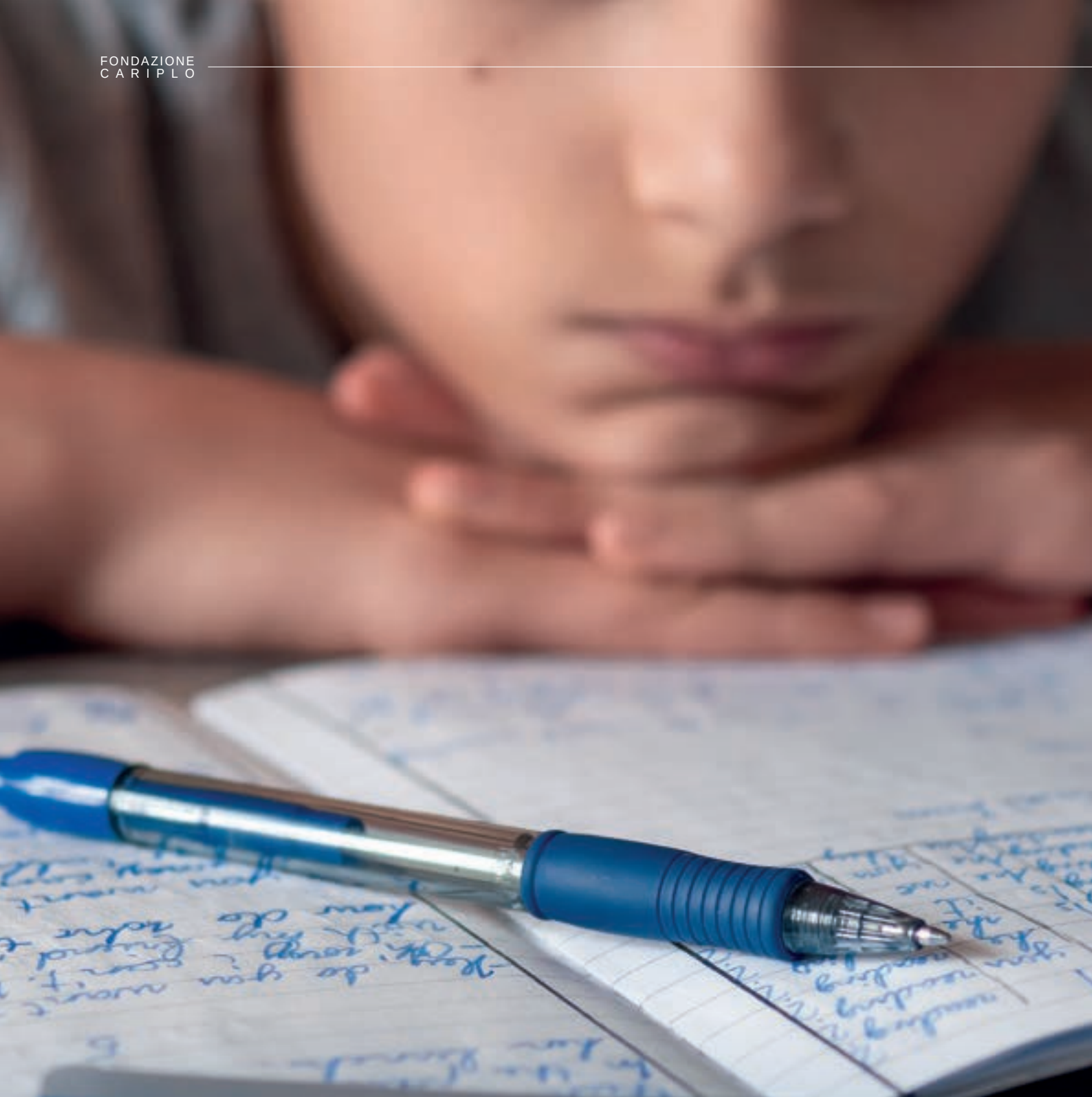
school and the second and fifth years of upper secondary school.

To find the answer to our research question, therefore, we looked at the results from the 2nd grade, 5th grade and 8th grade tests of every student who attended 2nd grade in the 2012-13 school year. This analysis enabled us to determine whether or not students who started out disadvantaged were able to catch up during their compulsory education pathway for any ground lost even prior to starting school.

We found that these **initial inequalities, as measured through the 2nd grade INVALSI tests, primarily affected boys, foreign-born students and children from socioeconomically and culturally disadvantaged backgrounds** (those whose parents had low educational levels and blue-collar jobs), as well as young people living in Southern Italy and – although to a lesser degree – children who had not attended preschool or kindergarten.

These students' initial learning levels were lower than those of

their peers. While this outcome was somewhat foreseeable, the data revealed something more surprising about the subsequent years of compulsory education. In fact, when we considered the same students six years later, by then in eighth grade, we found that the vast majority of those who had started out disadvantaged had been unable to catch up with their better-performing peers. Thus rather than help these young people take the “social elevator” up and away from their less privileged beginnings, compulsory schooling seemed to have entrenched existing gaps: not a school of opportunities, but rather a school of inequalities.



BORN "DIFFERENT"

The INVALSI results

Using national test data to understand our youth's educational experiences

A subset of the data enabled us to track the schooling through eighth grade of more than 300,000 students

The INVALSI test data made it possible for us to reconstruct the schooling experience from primary school to the end of lower secondary school of the student cohort enrolled in 2nd grade in the 2012-13 school year by measuring their learning levels in that year and grade, then again in the 2015-16 school year (as 5th graders) and, finally, in the 2018-19 school year (as 8th graders).

While a total of 510,000 children were enrolled in 2nd grade in school year 2012-13, complete data up through 8th grade was available **only for a subset – approximately 312,000** – of them. Among the possible reasons for the missing data were students' absence from school on the days the tests were given, or return to their countries of origin, or having been held back a grade (in which case they may have taken the INVALSI test in

subsequent years); the worst-case scenario was that a student had dropped out of school altogether. In other cases the test results were available, but were unusable for the purposes of our analysis due to the lack of additional data on the characteristics of the student and their family.

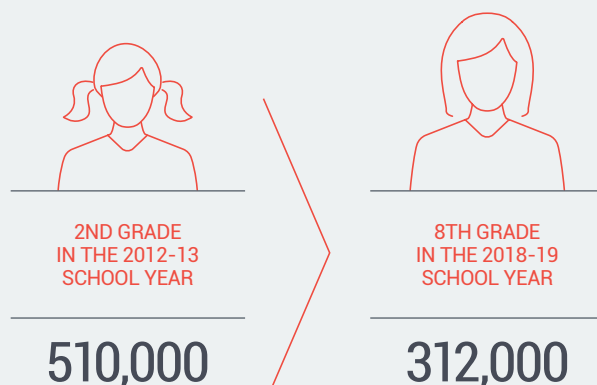
By comparing the subset with the initial population, we found that the young people who were lost to follow-up over time (i.e., whose INVALSI test results were not recorded in the expected subsequent years) and who presumably fell behind after being held back, or worse, dropped out of school altogether, **were primarily male, foreign-born, residents of Southern Italy, the children of parents with low educational and income levels, students with poor academic performances and/or individuals who had**

not attended preschool or kindergarten.

This finding alone underscores some of the inequalities on which our analysis will focus further.

Individuals who were lost to follow-up over time were primarily male, foreign-born, residents of Southern Italy, the children of parents with low educational and income levels, students with poor academic performances and/or individuals who had not attended preschool or kindergarten

Analyzing student learning levels:
how our cohort evolved over time.



BORN "DIFFERENT"

Learning levels and gaps

Classifying students into five groups

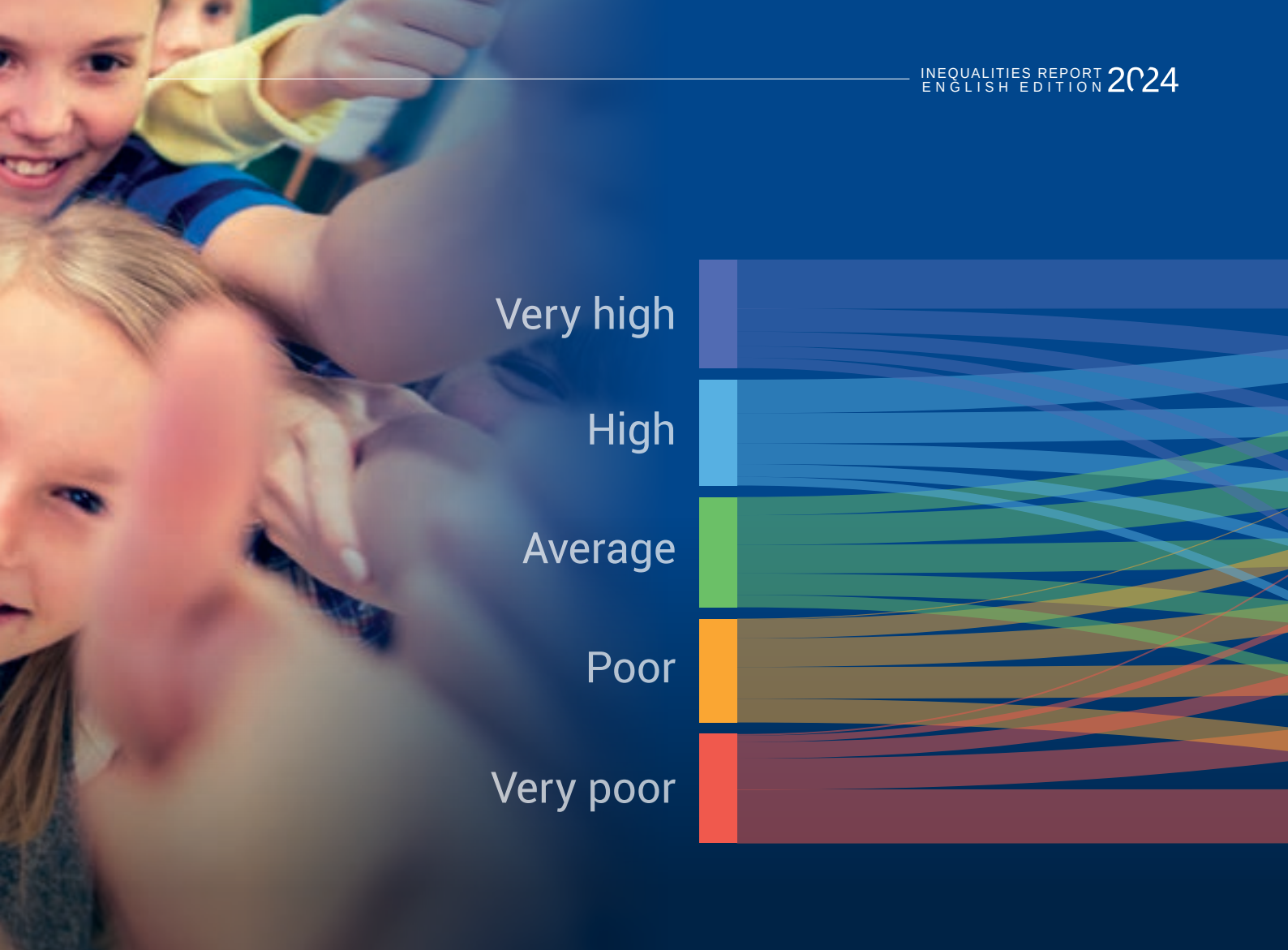
Even after several years, many young people proved unable to improve their academic standing relative to their classmates

To illustrate the findings of our analysis we created graphs that measure the relative standing vis-à-vis the learning ability of each student in the cohort as second graders and, six years later, as 8th graders. They are classified into five equally-sized groups (quintiles) based on their respective learning levels, i.e., “Very high”, “High”, “Average”, “Poor” and “Very poor” (see color-coded Figures 4 and 5 on p. 45-46).

On the left side of each figure are the learning level groups the students were classified into while in 2nd grade; on the right side are the groups they had shifted into by 8th grade. The color-coded “streamers” flowing from left to right represent their movement from one group to another over time.

Box (A) in Figure 4 shows the evolution of learning outcomes for the entire student sample. Looking at only those students with the

worst academic performance– i.e., “Very poor”, as represented by the solid red portion of the box – in 2nd grade, we can see that **six years later, as 8th graders, approximately 50% of these individuals were still in that same group.** In other words, many of them proved unable to improve their academic standing over time relative to their classmates. Furthermore, if we look at the entirety of the students whose academic performance in 2nd grade was rated poorly,



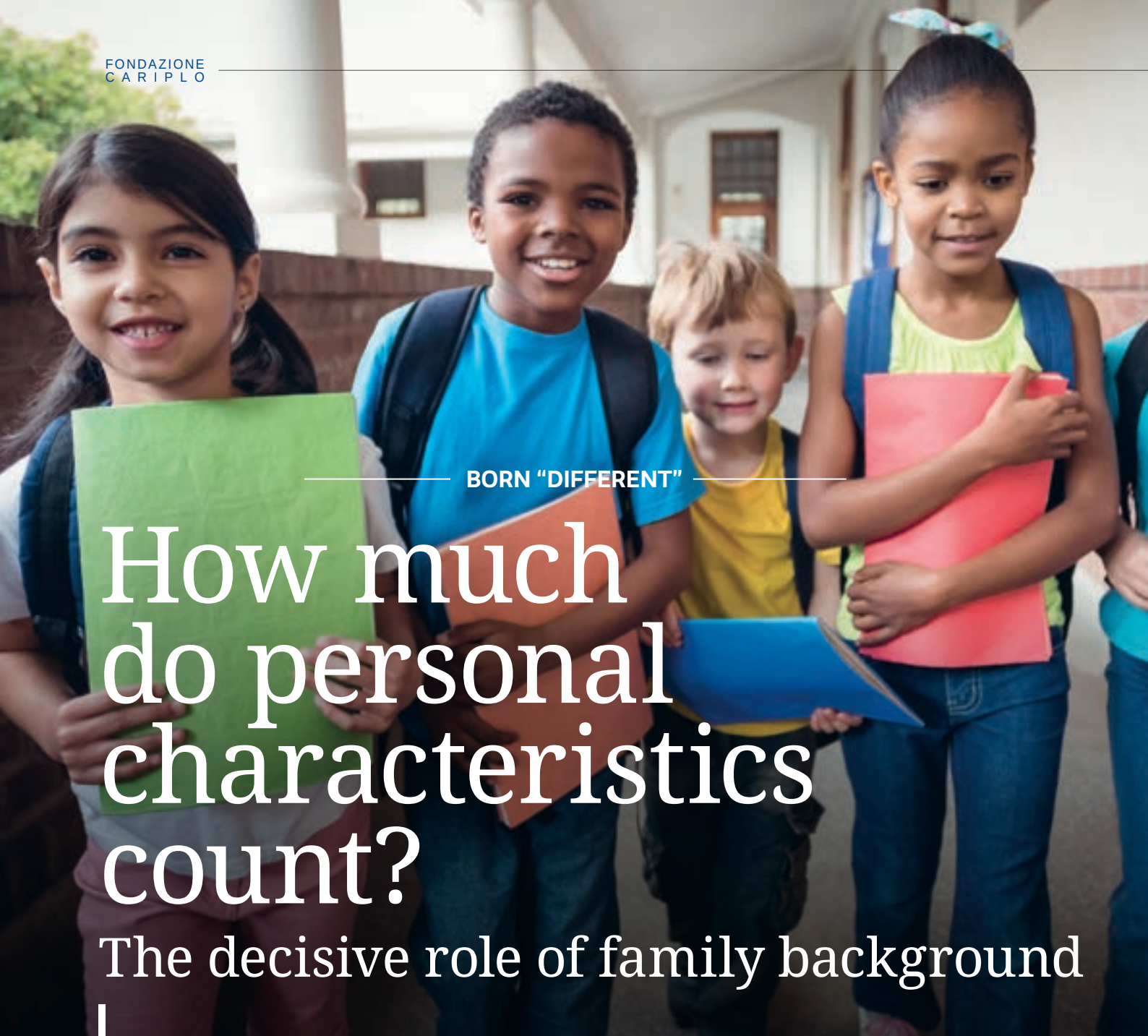
meaning “Average” or worse, we see that more than 90% of them had not shifted out of those categories by 8th grade, revealing a strong persistence of the initial distribution of educational achievement levels.

Finally, the share of young people who managed to shift their learning level upwards over time from “Very poor” to “Very high” was minuscule: just **0.31%** of the total population, i.e., less than **2%** of the students whose learning levels were very poor in 2nd grade. In parallel, we found that almost **50%** of students whose learning level in 2nd grade was classified as “**Very high**” were able to maintain that standing on

“**Almost 50% of the students whose learning level in 2nd grade was categorized as “Very high” were able to maintain that standing on through 8th grade**”

through 8th grade, while only a small proportion – less than **10%** of these students, i.e., **1.92%** of the total population – made a downward shift into the group whose learning level was classified as “Very poor”.

Thus Box (A) in Figure 4 suggests that children’s **academic achievement in 2nd grade strongly influences their degree of achievement in later grades**, highlighting a robust persistence of disparity. In a nutshell, it seems that those who start out disadvantaged are bound to encounter significant challenges over time when it comes to narrowing the learning gap with their more privileged peers.



BORN "DIFFERENT"

How much do personal characteristics count?

The decisive role of family background

The importance of parental nationality and educational level, neighborhood environment and preschool attendance

The findings that we have explored up to now pertain to the entire population under analysis.

To better understand whether and how certain individual characteristics of students and/or their families might have impacted these results, we refigured Box (A) in Figure 4 for specific sub-populations, based on the following

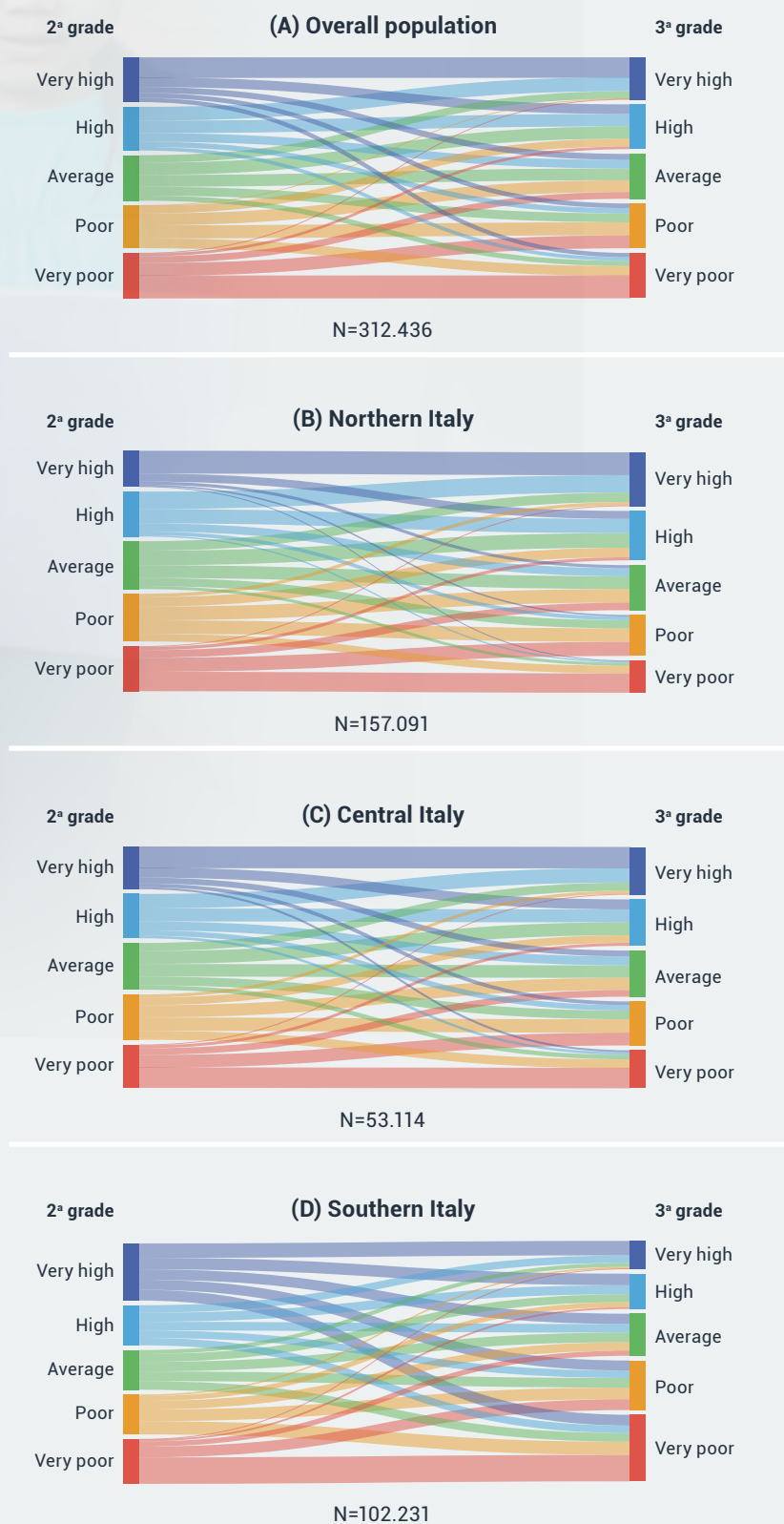
demographic and socioeconomic features: parental nationality, educational level, employment and geographic area of residence, as well as their children's preschool experience (or lack thereof).

The different learning levels identifying each group – calculated

on the basis of Box (A) in Figure 4 – have been maintained in the subsequent boxes in Figures 4 and 5; this is why the number of students included in each group may now be different.

Boxes (B), (C) and (D) in Figure 4 show data pertaining to the students who live in different

Figure 4 Shift in learning levels from 2nd grade to 8th grade in overall population and by geographic area



Source: Based on INVALSI data analysis

geographical areas of our country: Northern, Central and Southern Italy. The first thing to note is how it is 2nd graders in Northern Italy who are most likely to fall into the group of students with the least positive learning performance (20%), while it is those in Southern Italy who are most likely to be classified into the “Very high” learning level group (26%).

Looking at the learning outcomes of the students six years later, as eighth graders, the ranking seems to have flipped upside down

But when we look at the learning outcomes of the students six years later, as eighth graders, the ranking seems to have flipped upside down: only 14.5% of students in Northern Italy remain in the group that ranks “Very poor”, versus 30% of those in Southern Italy. Similarly, 24% of students in Northern Italy are now in the “Very high” learning level group versus 13% of those in Southern Italy. Thus there seem to be two main outcomes for youth being educated in Southern Italy:

1. A high probability – nearly 60%, versus 40% in Northern Italy – that those who start out with a “Very poor” learning level will remain in that group over time;
2. A high probability – 75%, versus 37% in Northern Italy – that the academic standing of those who start out with a “Very high” learning level will shift downwards over time.

The outcomes of students in Northern Italy and their counterparts in Central Italy are instead quite similar.

Boxes (A) and (B) in Figure 5 differentiate **students born in Italy from those born elsewhere**, highlighting the disadvantages the latter face early on in their education as compared to their native-born peers. Indeed, in 2nd grade, about **35%** of those born outside Italy fell into the group of students whose learning level was classified as “Very poor”, versus less than **20%** of those born in Italy.

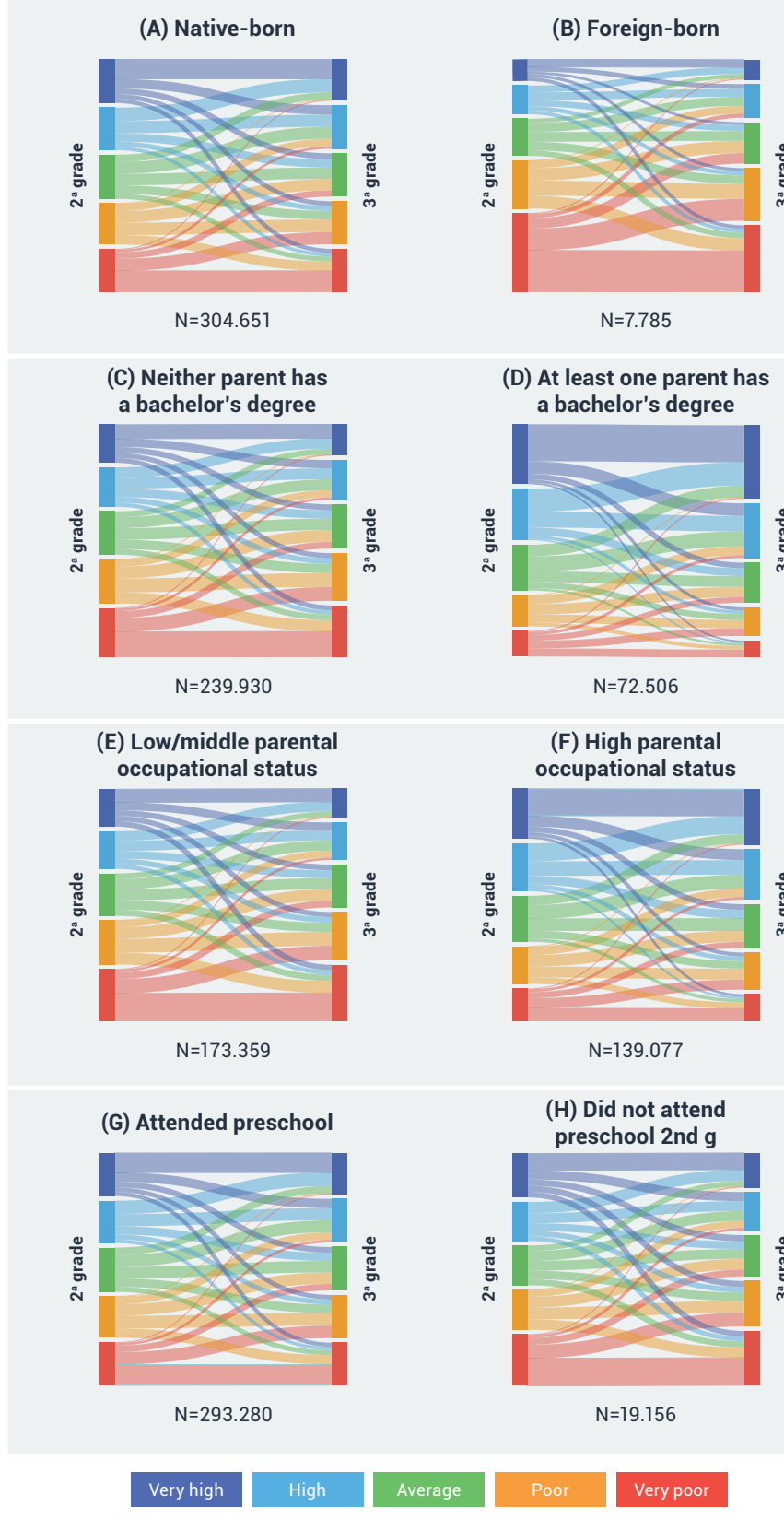
Schooling does not seem to help to close this gap: more than **52%** of foreign-born youth who start school with the most disadvantaged educational standing (“Very poor”) are still there six years later. What’s more, more than **70%** of foreign-born students who fell into the bottom two learning level groups (“Poor” and “Very poor”) in 2nd grade were still there by the end of 8th grade.

“**Parental educational level is an important determinant of students’ early abilities as well as their educational mobility**”

For the purpose of our analysis, it is also important to understand the role played by the cultural, social and economic settings of the families into which students are born and grow up. This is why Boxes (C) and (D) differentiate between **students who have at least one parent with a bachelor’s degree and those who do not**.

The graphs show the importance of parental educational level as

Figure 5 Shift in learning levels from 2nd grade to 8th grade by student and family characteristics



Source: Based on INVALSI data analysis

a determinant of students' early abilities as well as their academic mobility over time. Indeed, in 2nd grade, students who have at least one parent with a bachelor's degree (slightly over 23% of the total population) are very underrepresented (12%) in the group of students whose learning level is "Very poor" and very overrepresented (28%) in the group whose level is ranked "Very high". Differences in parental educational levels mean that children start out on their educational journey on an already very uneven playing field, something that will continue to greatly influence their school performance going forward.

Indeed, if we look at students with at least one parent who holds a bachelor's degree, only 30% of those classified into the "Very poor" learning level group in 2nd grade were still in that group as 8th graders; this share rises above 50% among students who do not have even a single parent with a bachelor's degree. And when we look at students classified as 2nd graders into the "Very high" learning level group, we see a reverse dynamic: more than 60% of students with at least one parent who holds a bachelor's degree are able to maintain their high academic standing on through 8th grade, while just 37% of students with non-college-educated parents do.

In addition to parental educational level, so too can the occupational status of parents influence both children's initial skill level and its evolution over time. This is why Boxes (E) and (F) in Figure 5 differentiate between **students whose parents have blue- or**

white-collar professions (summarized here as "low" and "middle", respectively) and those whose occupational status is instead "high", i.e., **intellectual or entrepreneurial**.

Here, too, the outcomes seem to align with those shown in the previous two boxes, with a greater incidence of "Very Poor" results early on in the schooling of students whose parents work in "low" or "middle" professions, a more intractable persistence of these results over time, and a greater likelihood that even when learning levels start out high, they will eventually worsen. It seems evident, therefore, that parental occupational status is also a determinant of how children's educational performance will evolve over time.

As we have seen, different socioeconomic and cultural backgrounds engender a highly diverse – and very uneven – student body at the very start of children's schooling. Consequently, there has been much debate in Italy about the need to provide opportunities for improvement to the most vulnerable young children early on by expanding access to preschool and nursery school programs.

There has been much debate about the need to provide opportunities for improvement to the most vulnerable young children early on by expanding access to preschool and kindergarten programs

This leads us to another important question: is there a correlation between preschool attendance and children's academic performance both at the start of their compulsory schooling and thereafter?

Boxes (G) and (H) in Figure 5 show how 2nd graders who did not attend **preschool** are more likely to fall into the "Very poor" learning level group (24% vs. 20%). Furthermore, the most challenged young learners who did attend preschool seem able to improve their performance over time; in fact, more than 53% of those who did not attend preschool, and who as 2nd graders fell into the group with the worst learning outcomes, were still in that group as 8th graders, while this was the case for just 48% of those who had instead attended preschool. Thus it appears likely that preschool attendance plays a positive role in reducing the academic achievement gap.

There are analogous findings with regard to preschool and/or kindergarten attendance, which seems to lower children's odds of falling into the group with the worst learning level outcomes as 2nd graders, and to increase their likelihood of improving their academic standing during the period of compulsory education.



BORN "DIFFERENT"

Extracting key insights from school data

The option of new, free educational pathways
for children from the most vulnerable families

One of the primary aims of our research was to determine whether, and if so, to what extent, Italy's system of compulsory and free education per Article 34 of our nation's Constitution helps to reduce the learning and skill disparities that show up in the earliest years of children's schooling.

By investigating the original longitudinal dataset of INVALSI test results at key points during young people's schooling, we learned that the students most adversely affected by the academic achievement gap in 2nd grade are primarily male, foreign-born, and

those from more disadvantaged socioeconomic backgrounds. We also observed that the level of educational attainment of these children as 2nd graders tends to persist in subsequent years, underscoring the low mobility that exists in our country in terms of educational outcomes. **Thus our findings suggest that when it comes to the most disadvantaged student groups, Italy's educational system is failing to serve as a "social elevator"**, and is instead actually helping to perpetuate and entrench the early learning gaps caused by the disparate socioeconomic backgrounds of our young people.

In light of these reflections, it seems natural to ask ourselves what could be done to help underprivileged students to improve their learning levels. Of course, many initiatives designed to achieve this goal are already being implemented by public agencies and third-sector organizations. We believe that it is crucial that we leverage these experiments and schemes in order to **zero in on the most effective pedagogical approaches for fostering the development of students' cognitive and non-cognitive skills.**

In other words, we need to identify and implement interventions

to help mitigate the adverse impact that growing up in a socioeconomically disadvantaged family environment has on a child's educational development, thereby helping to reduce the inequalities associated with such backgrounds.

A significant amount of public and private resources have been invested in an effort to improve educational pathways in our country. However, aside from the individual accounts given by those implementing programs, or the trends of the moment, determining what has actually worked and what hasn't continues to be a challenge.

In fact, measurement of the effectiveness of educational schemes continues to be inadequate in Italy, due to a lack of aptitude for this sort of analysis as well as the use of imperfect or inadequate methodologies. For example, the use of rigorous counterfactual methodologies to **assess the impact of interventions** is still uncommon; most approaches tend instead to be based on the "hunches" of individual project implementers. Given this state of affairs, both the Italian nonprofit sector and policy makers could draw inspiration from the work of the London-based Education Endowment Foundation, which has worked extensively to rigorously evaluate the impact of interventions aimed at improving the educational attainment of underprivileged students.

Beyond such methodological considerations, it might also be beneficial to focus on other key findings that came out of our analysis. Firstly, **some students are in even more challenging**

circumstances than others, so it might make sense to focus possible interventions on them. While requiring further investigation through the use of multivariate analysis tools, our description of these subjects provides criteria to facilitate their identification, i.e. young people who are foreign-born and/or from socioeconomically and culturally disadvantaged backgrounds.

Secondly, our research underscored how challenging it can be to bridge an inequality gap that takes root in the earliest years of children's lives. Therefore, it might be opportune to implement interventions to prevent and mitigate these disparities very early on, well before compulsory education begins – for instance, **providing free preschool and early childhood development programs for children from the most at-risk families.**

“Children who attended preschool and/or kindergarten generally exhibit better learning achievement than those who did not”

In fact, while taking into account all the necessary precautions with regard to bivariate analyses, our findings showed that children who attended preschool and/or kindergarten generally exhibit better learning achievement than those who did not. It might be a good idea, therefore, to make these services more accessible to segments of the population that do

or cannot currently use them. If this were to prove insufficient to bridge the gap affecting those from the least privileged backgrounds, personalized educational pathways based on individual students' characteristics could be devised at the start of compulsory education to help these students to catch up with their better-performing peers.

Thirdly, while our analysis has focused on cognitive outcomes, **it is important to note that the literature also emphasizes the role of non-cognitive skills as a determinant of academic success (and even “success” throughout life).** Thus it might be beneficial – starting out in the peripheral areas and neighborhoods of cities where there are high concentrations of disadvantaged students – to pilot service learning initiatives aimed at fostering the noncognitive competencies of these young people, including resilience and the capacity for teamwork; ideally, these schemes would leverage the social inclusion know-how of the non-profit and voluntary sectors. Meet-ups could also be organized for young people both in and outside of school to help them experience the educational process not just as a laborious obligation, but also, and most importantly, as an opportunity to learn more about themselves and their abilities, develop a capacity for critical thinking and cultivate hobbies and interests.

These are just a few of the many ideas that can be drawn from the extensive range of past or existing programs and initiatives aimed at supporting the most disadvantaged students. ■

Invisible barriers

At what age do minds
– and mindsets –
begin to develop?

Looking for fresh insights to help
shape effective public policies

by Federico Fubini¹

1. The author would like to thank Valentina Amorese, Veronica Berni, Camilla Figini, Tecla Morettin, Sara Scalabrin, Matteo Silva, and Francesca Sozzi for their vital collaboration on the research presented in this chapter.

Most adults have recollections of their classmates from their preschool or elementary school years. We remember how some were lively during classroom activities or play, while others were unusually quiet and withdrawn, and others yet rowdy. Often, these traits would persist throughout the educational process and sometimes, when we had the opportunity to observe these former classmates later, and on into adulthood, we would observe how some of their childhood personalities lingered in their attitudes, accomplishment and plans as adults.

It's not by chance, then, that when we re-encounter people with whom we played at nursery school or shared a classroom during our earliest school years, we sometimes feel as if we know more about them than do their current friends, colleagues or even their spouses or partners. We feel as if we have access to the very "core" of their personality simply because we spent time together as children.

This is, in fact, an illusion: human beings continuously evolve, learn, question and transform themselves throughout their lives. New encounters and activities shape and change us over time. So to imagine that we have special insight into someone just because we knew them when they were five years old, with all their enthusiasms and insecurities, is unimaginative as well as a bit presumptuous.

“The socioeconomic environment in which young people grow up tends to shape their attitudes from a very early age”



Yet those memories, and the way they compare with the reality of people's lives later on in life, raise questions that are not so easy to sidestep today, when inequalities of every kind – of income and wealth, education, life prospects, job security, access to quality healthcare for oneself and education for one's children, and more – often manifest early on, and continue to widen over time.

These questions are quite basic, yet at the same time very important: **What remains in the adults we know today of the attitudes they once held as children? To what extent did the socioeconomic circumstances of their earliest years of life influence the paths they took in life?** How did those circumstances shape their learning, employment, societal integration, coexistence and family-related choices over the decades? And what shaped those attitudes to begin with: biology, chance, their lived experiences when very young and thereafter, their social class, family influences, and/or the schools they attended?

The questions are too far-reaching and complex for this report to be able to address comprehensively, but they lie at the core of the project we present here. Our aim at this stage is not to provide definitive answers, but rather, by engaging in various exploratory efforts, to yield insights and spur further debate and, hopefully, also more empirical research, on these topics.

Our primary goal, however, is more concrete. The period of early childhood appears to be critical in terms of shaping not only learning ability – as James Heckman of the

University of Chicago has pointed out – but also the ability to engage, to connect with others, to take risks (in moderation) and to control one's will. Our research provides insights here, indicating on the basis of empirical findings that differences in psychological and social skills and attitudes among various groups of people start to emerge in the earliest years of life. Indeed, these differences likely arise well before children begin to develop quantifiable academic skills.

“Unevenness in the skills and mindsets of 4- and 5-year-olds seems to be associated in part with the environments in which they are raised”

Unevenness in the skills and mindsets of four- and five-year-olds appears to be associated in part with the environments in which they are raised. Inequalities in parental income, wealth, social networks, and cultural, educational and occupational status all seem to play a crucial role in shaping the attitudes and cognitive tools of preschoolers, who will rely on them throughout their lifetimes. This imprint is both deep and long-lasting; indeed, the gaps we see between groups of affluent and less-privileged preschoolers are often virtually mirrored in their adolescent counterparts.

There is a potentially valuable lesson to be learned here. If the hypotheses generated by our

research are proven correct, it will provide yet another valid reason to devise increasingly targeted public policies and social cohesion initiatives and programs and to allocate the resources needed to carry them out. **Focusing educational interventions on preschoolers from disadvantaged backgrounds during the formative early years, when children are shaping their attitudes and are at their most perceptive, could prove highly effective.**

Strengthening early childhood education in low-income neighborhoods would obviously entail a substantial expenditure of resources, yet the phenomena of school dropout, unemployment and social marginalization among young adults are an even greater burden on our communities. Thus an investment aimed at shrinking the numbers of early school leavers and socially inactive youth would be beneficial from every point of view – all the more so in a country like Italy, where the proportion of young people between the ages of 15 and 29 who are neither studying, working nor engaging in any form of education or training is among the highest in the European Union.

We will now turn to the heart of the investigation that underlies these conclusions, with one caveat: to protect the privacy of the children in our samples, we neither collected their names nor put in place any strategy for identifying or tracking them down in the future. This means that it will not be possible to conduct any follow-up studies to explore how the same individuals' answers correlate with their attitudes and outcomes later in life.

Our work consisted of two studies that we will present in this and the following section, focused respectively on preschoolers and adolescents aged from 14 to 16. We began based on the hypothesis that growing up in specific social milieus tends to influence people's attitudes from their earliest years of life, and then sought indications as to whether or not these mindsets persist throughout children's long years of schooling.

It is not possible, of course, to work with adolescents and preschoolers in the same way. While the former can be asked out-and-out questions, we thought it would be a good idea to engage with four- or five-year-olds doing what they do best: playing.

So, using simple games, we sought to test the young children's **attitudes and skills in three areas:**

- **The ability to put oneself in someone else's shoes**, grasping that there are points of view other than one's own;
- **The ability to trust others** and the relational system one lives in, sometimes in order to get something desired in return;
- **The ability to be patient, exercise self-control** and manage personal stress in order to achieve a specific outcome.

Few would dispute the notion that these three attitudinal skills underpin both the learning process and the self-realization of an individual. **But how, why, and when do these skills begin to take shape? Which individuals are most likely to possess them very early on in their lives and which are not?**

In an attempt to begin to answer these questions, we conducted three sets of tests with 4- and 5-year-olds, dividing the children into two separate groups. The first was composed of children living in affluent sociocultural environments in the city of Milan, while the children in the second group were also from the broader Milan area, but members of low-income families with low parental educational attainment and occupational status. With the permission of the parents and the cooperation of the preschools, we asked both groups of children to take identical tests. In almost every case, they were administered by the same researcher; in the rare cases when a substitute researcher stepped in, she or he followed identical procedures. Our aim was to measure the similarity or dissimilarity of the responses to our questions between the two groups of children.

The samples were structured as follows:

- The sample of individuals from socially privileged backgrounds included **64 children born in 2018 and 59 children born in 2017** from five different private preschools located in central Milan or just outside, all charging high fees;
- The sample of their peers from less advantaged backgrounds included **74 children born in 2018 and 73 children born in 2017** from four preschools in two towns in outlying areas of the city.

The private preschools attended by the first group of children could (and did) charge high enrollment



fees thanks to the high occupational and income status of their pupils' families. As for the socioeconomic circumstances of the children from the other four preschools, the following should be noted: according to the most recent statistics found on www.comunititaliani.it, a website that provides information and statistics on Italian municipalities, provinces and regions, in 2016 average per capita income (IRPEF*) in one of the two towns was just under half of the average per capita income in the neighboring municipality of Milan, while the average per capita income in the other town was slightly less than two-thirds of that figure. There are no indications that the situation has changed substantially since 2016. Finally, the estimated income of the families of the children in the two groups could be an approximation of other factors, such as the educational attainment of the children's parents or grandparents, the number of books in their homes, their ability to travel, and so forth.

The next section describes the tests we conducted on these children and the results we obtained.

* "IRPEF" is the name of the income tax levied in Italy on those who are either residents of and/or earn income in the country.

INVISIBLE BARRIERS

The Marshmallow Test

What does the “chocolate egg test” tell us?

Observations on what happens when children are asked to exercise self-control for twelve minutes

The “marshmallow test” has been in use since the 1960s, when the American psychologist Walter Mischel, then at Stanford University, conducted it for the first time. Its purpose is to assess the self-control of preschoolers by having them undertake a brief exercise in patience.

A trusted person – in our case, a teacher – had each of her four-year-old charges go (one at a time) to an empty classroom. Then she gave the child a treat and conveyed the following message before leaving her or him alone: *“Wait for me here; I’ll be back shortly. If you haven’t eaten your treat by the time I return, I’ll give you a second one as*

a reward. If you have, you’ll only get this one.”

We conducted our own marshmallow test in the fall of 2022 on children born in 2018, i.e., middle preschoolers. Rather than giving them marshmallows, a sugary treat that is popular in the United States but not well-known in Italy, we gave the children chocolate eggs, partially unwrapped so that they could smell their scent. The children were left alone in a bare classroom with no games or other stimuli with which to distract themselves while waiting for their teacher to return, ensuring that their capacity for self-control would

truly be put to the test. Secretly observed from outside the classroom, each child was left alone for 12 minutes (fewer than the 15 to 20 minutes of the original Mischel test).

Here are the results:

- In the poorer outlying areas, 57% of the children waited to eat their chocolate egg in order to receive a second one;
- In the private schools attended by children from socioeconomically privileged backgrounds, 73% did so.

Thus we found that the probability of a child being able to exercise her or his self-control to achieve a desired outcome – i.e., to receive a second chocolate egg – was **28%** higher among children from an affluent socioeconomic background (this figure represents the percentage gap, or delta, between the share of children in the second group who passed the test and the share of those in the first group who did the same). There seemed, therefore, to be a substantial difference between the attitudes of the children in the two groups, driven at least in part by the social environment they grew up in.

This finding has potentially significant implications. For decades, Mischel tracked the development of the children on whom he first conducted his “marshmallow test” in the 1960s, both during their schooling and as they transitioned into adulthood. Over time, he noted a correlation between their test results and life outcomes: those who had been unable to restrain themselves, eating the first marshmallow before they could receive a second one, had a higher probability

of doing poorly at, or dropping out of, school; experiencing unemployment; going to prison, and/or being affected by obesity or substance addiction.

Children who delay gratification by the age of four or five or six have a much better chance of doing well at school, thriving as adolescents, and moving on in life

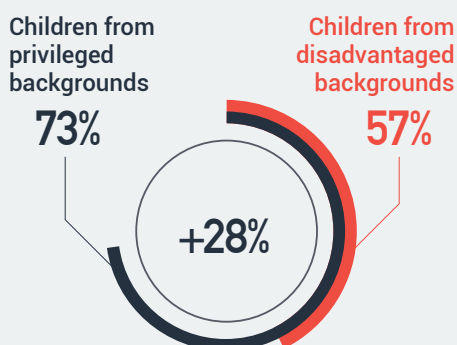
In an interview three years before his death in 2018, in fact, Mischel stated: *“Willpower and self-control are cognitive skills (...) which are quite easily teachable not only to children but [also] to adults”*. In fact, according to the late psychologist, *“There are very simple strategies that are available to all of us that can enhance our ability to regulate our emotions, to regulate our temptations, and to allow us to take future consequences into account.”*

“The implications of this,” he continued, “are particularly important for education (...), to really help kids who are living under conditions of high stress, and in high poverty, toxic poverty environments, to have a better chance to make the most of their lives (...), and to develop the trust expectations and the cognitive skills that they need to become more oriented to the future and to be able to make choices that allow them to make the most of their lives.”

This observation seems especially pertinent to the problem of early school leaving, i.e., young people who either drop out before earning a secondary school diploma or renounce higher education after they have earned one. Indeed, after Spain and Romania, Italy has the largest share of young people aged 18 to 24 in the European Union who discontinue their education before earning a university degree. Italy also ranks last in the European Union – after Malta, Spain and Romania – with regard to school drop-out before graduation. Here, Italy’s northern region of Lombardy outperforms the national average, but underperforms those of other European countries with comparable levels of gross national income and economic dynamism. The causes underlying these trends are complex, but the ability of young people to exercise self-control and patience in anticipation of a subsequent “reward” – such as a high school diploma, a degree or a better job – is undoubtedly among them.

While our experiment was conducted under conditions of spatial and temporal homogeneity (i.e., on four-year-olds in the conurbation of Milan in the fall of 2022), the findings suggest that the psychological skill-sets of children are shaped in a similarly uneven fashion throughout Italy.

Who waited to eat their treat in order to receive a second one?



INVISIBLE BARRIERS

The Sara and Anna test

Understanding the points of view of others

A game involving two dolls explores preschoolers' ability to interpret those around them

Our second experiment was based on tests developed by Simon Baron-Cohen, Alan M. Leslie and Uta Frith in Great Britain in the mid-1980s.

In search of a model that would enable them to identify specific types of cognitive deficit in autistic children, the three psychologists posited a theory of mind hypothesis. It held that autistic children had an impaired ability to **attribute to others points of**

view different from their own, and thus to comprehend that other people have beliefs, including false ones (i.e., beliefs that do not match the reality of a situation).

To assess theory of mind abilities in such children, the researchers compared a group of them with two other groups: one of children affected by Down Syndrome and another of children who they determined to be without any

cognitive deficits. One of the best-known of their experiments in this context is the Sally-Anne test, a scenario involving two dolls that requires an individual's ability to understand and attribute false beliefs to others.

In the fall of 2022 we conducted the same experiment on two groups of five-year-old children born in 2017, the first from affluent backgrounds and the second from much more

disadvantaged ones. Given that we were in Italy, we renamed the dolls “Sara” and “Anna” and proceeded as follows.

Using the same method as in the original test, our researcher presented each child with the two dolls. Each had a covered basket in front of her, but only in Sara’s basket was there a ball, which the researcher showed to the child being tested. The doll named Sara then “went for a walk” for 10 to 20 seconds. While she was away, the doll named Anna “moved” the ball from Sara’s basket into her own basket, covering it with a lid.

When Sara came back, the researcher asked the child where, in her or his opinion, she would look for the ball. The child knew that the ball was now in Anna’s basket, because she/he had seen Anna move it there, but Sara’s character, having been away while Anna did so, was unaware that the ball was no longer where she had left it.

If the five-year-old being tested was capable of grasping Sara’s perspective, she or he would answer that Sara would look for the ball in her own (now empty) basket. If, on the other hand, the child was unable to

grasp the perspective of others, she or he would respond that Sara would look for the ball in Anna’s basket (where it actually was). In other words, the children who passed the test were capable of forming a “theory of false belief” regarding the Sara character; they understood that she had been led to believe something that they knew was not true. In contrast, the children who failed the test were unable to understand the existence of perspectives other than their own, and thus incapable of “reading” other people’s minds.

In the test conducted by Baron-Cohen and colleagues, the samples were composed of children who were, on average, older than the children we worked with. Even so, nearly all of the autistic children failed the test, while nearly all of those without cognitive deficits or with Down syndrome passed it.

Now let’s look at the results of the tests we conducted on five-year-olds from outlying areas of Milan:

- In the group of children from affluent backgrounds, 54% passed the Sara and Anna test;
- In the group of children from disadvantaged backgrounds, 40% did so.

In other words, again calculating the percentage gap (or delta) between the shares of children in the two groups who passed the test, we found that a child’s probability of passing the Sara and Anna test was 35% higher for those in their last year of preschool from high-income families than it was for their peers from predominantly low-income families. There are numerous ways in which to interpret these findings, but we would like to underscore something that surfaced again and again in the different behavioral experiments we conducted during our research, i.e., feeling that we understand another human being appears to be a key ingredient of trust; and **trusting others and the systems in which we live appears, in turn, to be a precondition both for developing constructive relationships and for investing in oneself through partnership with others.**

We believe, therefore, that it is opportune to look at the findings of the Anna-Sara test alongside the results of another trust test that we carried out on the same children; these are presented below.

Children in their last year of preschool who came from high-income families had a 35% higher probability of passing the test

Results of the Sara and Anna test conducted on five-year-olds from outlying areas of Milan



INVISIBLE BARRIERS

Trusting others as a five-year-old

Investing in one's peers during childhood

The way children engage in a playful transaction with a make-believe peer provides insight into how they see the rest of the world

In the fall of 2022, we conducted another experiment on the same two groups of children (born in 2017) whom we involved in the Sara and Anna test. This time our goal was to **measure their level of trust in others and in the world around them.**

The students were brought by their teacher, one by one, to a researcher (the same individual every time). The researcher then proposed giving the child a gift, explaining that another child living in another

city, “Giovanni” (John in English), would be sending them ten playing cards. Once the gift was delivered, the researcher suggested that its recipient share half of the cards with “Giovanni” so that he, too, could play. The researcher assured the child in question that Giovanni would thank them for sharing with him by giving them ten more cards the next day. The children were also told that if they wished, they could opt not to share their gift, and simply take the ten cards back with them to the classroom.

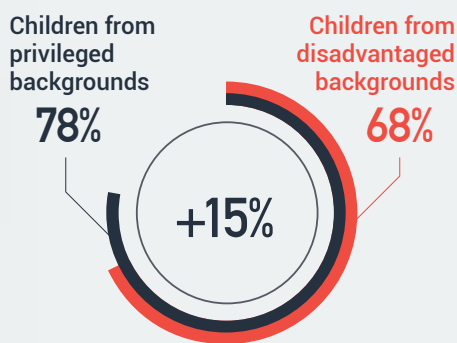
In other words, each child was presented with a choice: they could choose to trust the researcher (whom they had just met for the first time) and “Giovanni” (whom they had never met at all) and enter into a playful transaction with both that could prove personally advantageous (i.e., the receipt of more cards the next day) or they could opt out of the game, returning to their classroom with fewer – but a guaranteed quantity of – cards.

Thus the exercise tested the children's ability to place their trust in others, as well as in the overall "system," in their own self-interest (i.e. in order to receive a reward later on).

Here is what happened:

- 78% of the children from privileged backgrounds opted to give half of the cards back to "Giovanni" so that they could receive more the next day;
- 68% of the children from disadvantaged backgrounds did so.

Findings of our test measuring children's trust in others and in their environment



In other words, the probability of engaging in a trust-based interaction among children from privileged backgrounds was about 15% higher than it was among those from disadvantaged backgrounds.

Here, too, the children's behavior can be interpreted in many different ways. Half a century ago, the economist and Nobel Laureate Kenneth Arrow, underscoring the importance of mutual trust in human transactions, observed, "It can be plausibly argued that much of the (...) backwardness in the world can be explained by a lack of mutual confidence." Since then, his assertion has been proven time and again.

In their own work, Jeffrey Butler, Paola Giuliano and Luigi Guiso have investigated the relationship between individual trust and individual economic outcomes. In a 2016 article, the three economists demonstrated the existence of something they call "the right amount of trust", finding that on average, the incomes of individuals who expressed the highest level of trust in others (i.e., who trusted "too much", ranked at 10 on a scale from 0 to 10) were around 7% lower than the peak incomes made by those with the "right" level of trust in others (ranked at 7 on the same scale). Moreover, the income of individuals who expressed the lowest level of trust in others (0) report income 14% lower than the incomes made by those with the "right" level of trust, a difference comparable to what we find between individuals who do and do not have a university degree. [ultimo pezzetto non mi è chiaro]

There seems to be a correlation between people's ability to "read" others and their ability to trust them, yet the children who passed the "trust test" with their imaginary peer Giovanni did not have a higher pass rate on the Sara and Anna test than the group average. Among Milanese adolescents from different social groups in 2022, those who demonstrated a greater ability to "read" the feelings and beliefs of others also tended, on the whole, to feel more trusting of others. We will explore this further on the following pages. ■

There seems to be a correlation between people's ability to "read" others and their ability to trust them

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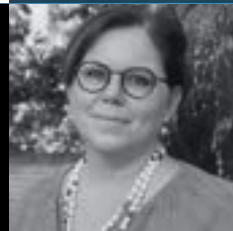
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“Nothing is set in stone. Anything is possible”

Encouraging words from the educationalist Paola Milani:
“There are bright spots, opportunities to unleash children’s potential”



Professor of General Pedagogy at the University of Padua, Paola Milani provided her advice and considerations on the Cariplo Foundation’s research on preschoolers and adolescents in Milan. In this interview, she offers her insights on the outcomes of the tests and questionnaires that we present in this report.

Professor Milani, do you believe that the findings of the experiments we’ve presented here could be of some value to the debate around education in our country?

I hope so. There is scant data of this nature in Italy. The work you’ve done shows how various international studies, including those you mention here, are based on working hypotheses that are actually quite solid. In this case the data was collected in Milan, but your research highlights a problem that very likely affects the outlying areas of many other large Italian cities as well.

How do you interpret the behavioral test outcomes of children from disadvantaged areas compared to those from more privileged backgrounds?

I think we should keep in mind the fact that poverty is rarely about economic deprivation alone; it tends to be a multifaceted phenomenon. And I’d like to add something else: these studies, important as they are, run the risk of being read from a deterministic perspective. What I mean is that when a child comes from a low-income background, people often take for granted that he or she is likely to

be socially excluded, to drop out of school, to not participate in the workforce – that is, that he or she will end up caught in what one of the European Commission’s recommendations calls “the cycle of social disadvantage” – whereas your survey and others demonstrate quite the opposite.

We can’t rule out the possibility that any young person might chart her or his own singular path in life

So you're saying that a child's life trajectory is not necessarily predetermined by the family or environment she or he is born into?

I'd like to try a different interpretation, a pedagogical one, since it underscores the importance of educational and training processes. For example, in the section here on adolescents, you found that the teens at the classical high school in central Milan have mothers and fathers who, in 77% of cases, hold a bachelor's degree or higher. But if we look at it from another angle, we see that 23% of young people come from families where the parents are either not college-educated or in any case have only middle to low educational attainment. So that 23% becomes quite intriguing: it tells us that while opportunities for teens from middle to low sociocultural backgrounds

Social mobility is always possible, but we need to support it with suitable interventions to make sure to remove any obstacles that could impede it

are certainly diminished compared to those that their peers who come from more affluent backgrounds have, we can't rule out the possibility that any young person might chart her or his own singular path in life, one that isn't predetermined by the background she or he was born into. So social mobility is always possible, but we need to support it with suitable interventions to make sure to remove any obstacles that could impede it, "preventing the full development of the individual," as stated in Article 3 of the Italian Constitution.

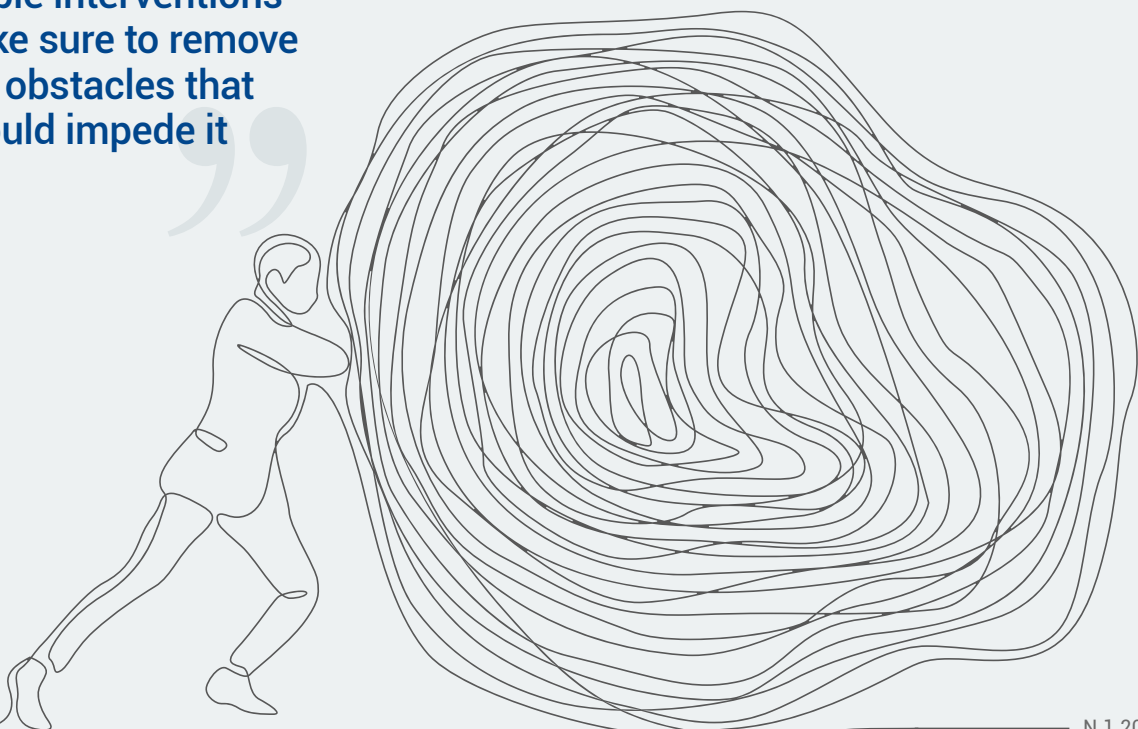
So what lessons do you take from the report?

One of its innovations is how it underscores the bright spots, i.e. viable opportunities to unleash children's human potential, above all by working on the educational potential of their parents, teachers and other educators, as well as on the social circumstances in which these parents live and face the everyday challenges of bringing up their children. It's

critical that parents raising kids in disadvantaged circumstances not feel overwhelmed by the idea that their children are "destined" to fail because of the intergenerational nature of poverty, a belief that risks turning into a self-fulfilling prophecy. Instead, it's important to convey to these parents the idea that human beings can always be educated and learn, and that it's the collective responsibility of society to create the conditions for this to happen.

Could you please elucidate?

For instance, with respect to the 57% of children from poorer backgrounds who waited quite deliberately to eat their first chocolate egg so that they would receive a second one as a reward: it's important that we bear that 57% in mind. It shows us that over half of the children who are growing up in socially disadvantaged circumstances took a different approach than the other 43% of their peers, moving past the socially deterministic pattern that held back the latter.





In some respects, the adolescents we surveyed from the vocational institute [see p....] were more resolute, with slightly clearer ideas and a more scrappy approach to charting their own path in life. So these character traits appear in other age groups as well, correct?

This is a finding that actually surprised me. It's very intriguing, but not so easy to interpret. One way we could look at it is based on the research that's been done on so-called 'helicopter parents,' that is, those parents (there aren't that many of them), often very highly-educated individuals, who've had

children late in life and tend to be extremely protective of them. In the United States this phenomenon is called 'over-parenting', i.e., parents' excessive involvement in their children's lives. Presumably this type of parent finds it challenging to allow their children to develop autonomy by undertaking



“
Education is a continual quest
to find a balance between
authority and freedom,
control and permissiveness,
autonomy and dependence
”

positive outcomes, and others at a certain personal cost.

Let me be clear: I'm not suggesting that children and young people should simply be left to their own devices to force them to find their strengths on their own. No; what I'm saying is that education is a continual quest to find a balance between authority and freedom, control and permissiveness, autonomy and dependence. And it's a dynamic equilibrium: it changes from age to age, person to person, family to family, and culture to culture.

What's your impression of the Sara and Anna tests we did on mentalization, i.e., children's ability to understand another person's point of view?

If I recall correctly, here too, 40% of children from the outskirts of Milan – children who are potentially exposed to great vulnerability because of their family circumstances and the environment they live in – nevertheless “got” the game. Forty percent is not a small number. If we consider the challenges these children might be facing in their home environments, it seems reasonable to deduce that school is having a positive impact, at least to a certain degree. But we can also look at this finding from a different

perspective: just 57% of the children in schools attended by the Milanese socioeconomic elite passed the Sara and Anna test. So even in that more advantaged group, a fair percentage of children had some difficulty with it.

So you believe that public preschool has a positive educational function even this early on in children's lives?

Overall these findings show us children who have a lot of potential despite having been born and grown up in outlying areas of Milan with an average annual income of just eleven thousand Euros. So yes, you get the sense that preschool is playing a protective role for these children. Summing up, these findings show two sides of the same coin: one, the risk of social determinism, which is more likely to draw children from poorer backgrounds into a cycle of social disadvantage; and two, that it's possible to disrupt this dynamic early on in such children's lives, bringing them instead into a virtuous cycle of social advantage. This can be done by having schools, families and communities implement a range of educational and preventive initiatives especially in the first 6 years of a child's life – actions that have the potential to trigger the dynamic developmental process of resilience. ■

experiences and projects on their own, and instead tends to make choices and handle normal everyday challenges for them. In contrast, when parents are able to nurture and protect their children without being excessive, the later develop a greater capacity for independence by necessity, sometimes with very

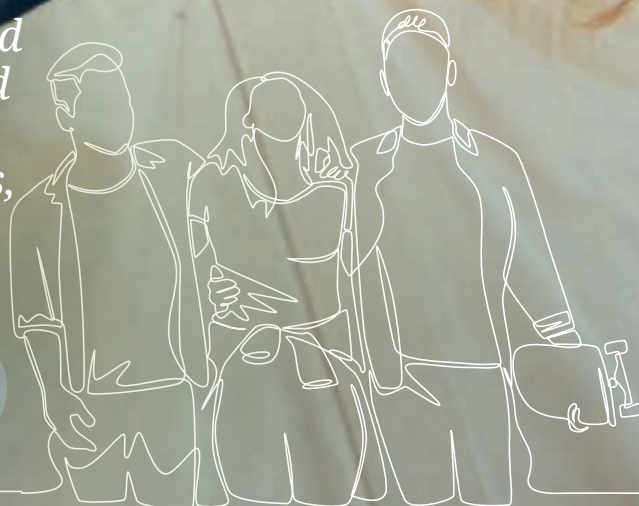
Being a teenager in Milan

Paths that never intersect

Self-confidence and concern for our planet: the mindset of younger generations is evolving. But do adolescents really share a single, uniform outlook?

by Federico Fubini

“A questionnaire distributed in two schools, one located in central Milan and the other on the city’s outskirts, revealed significant heterogeneity in teenagers’ views about themselves and their environments”





The media and a certain type of mainstream narrative has conditioned us to view adolescents as a homogeneous group. We envision them alternately as combative or indifferent, apathetic; enthusiastic about different cultures, “with-it”, or prone to irresponsible behavior, addicted to social media, video games or drugs.

No matter which version it is, the tendency is to think of them as a monolithic group. Rarely do we entertain the more probable scenario: that teens are instead as diverse as society as a whole. In fact, it is unclear why there would be a single body of adolescents, a single generational culture, when the rest of society is segmented based on any number of criteria: inherited or accumulated wealth, income, income tax status, educational qualifications, home zip code or even just the size and dynamism of the area where one

lives, the degree of efficiency of the national health system in one’s province, or the speed of one’s internet connection.

It seems more sensible to start from the premise that **a single world of adolescents does not exist**, just as it doesn’t exist when it comes to other age groups. So if we want to get a better understanding of their views, the way they see our system’s rules and opportunities, or themselves and their futures, we

“We chose a yardstick that we feel is indicative – parental educational attainment – because we believe it’s also a good approximation of many other differences that exist in our society”

need to set at least a few criteria.

Since adolescence lies at the intersection between parental influence, the search for other models and the entry into adult life, we chose a yardstick that we feel is indicative – **the level of parental educational attainment** – because we believe it is also a good approximation of many other differences that exist in our society. Given the low intergenerational educational mobility in Italy that has been highlighted in this report thanks to the work of Daniela Fadda, Marta Pellegrini and Giuliano Vivanet; Gian Paolo Barbetta, Luca Stella and Lorenzo Vaiani; and Valentina Amorese, we hypothesized that this was an effective discriminator.

As Valentina Amorese will show in the next chapter, this metric correlates with other variables related to occupational, income and wealth status, an individual’s

career prospects and health status. More specifically, we opted for this yardstick based on the hypothesis that we would find a disparity between the educational levels of the parents of students attending a renowned classical high school in central Milan and those of the students attending a vocational institute on the outskirts of Milan.

Our conjecture proved true: when we surveyed the **186 students attending a classical high school** in central Milan (which we will refer to with the fictitious name of “Montale High School”), we found that 77.5% of their parents held either a bachelor’s degree (about 50% of them) or a higher educational qualification. But the young people training at the **vocational institute**, which we will call by the fictitious name “Ungaretti Institute”, came from very different family backgrounds. Here, where

118 eighth-grade graduates aged 14 to 16 prepared for jobs in tourism and hospitality, as mechanics in workshops, garages and elsewhere, as electricians, plumbers, computer technicians, or (for differently-abled youth) as simple office workers, only 9% of the parents had earned as much as a bachelor’s degree, almost none had a qualification higher than a bachelor’s degree, and **31%** had completed lower secondary school only.

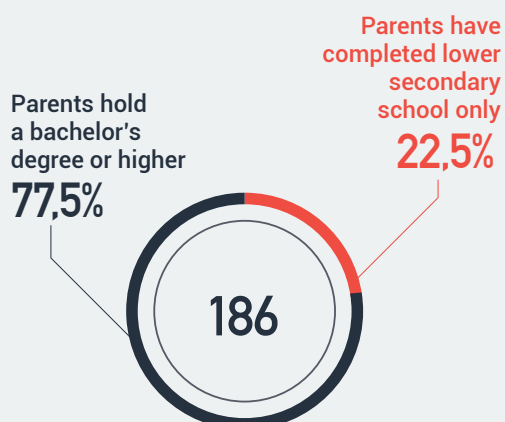
We decided that these two groups of young people were appropriate samples on whom to try to empirically test, first of all, whether any of the character traits based on social class that we had observed while experimenting earlier with preschoolers persisted at the age of 14 to 16. To wit, would we find that children from more advantaged families had a greater degree of trust in others than

those from more disadvantaged backgrounds? Would the former be more able than the latter to grasp points of view other than their own?

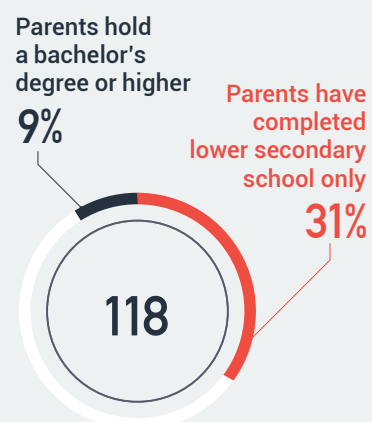
In our case, the answer to both questions was “Yes”. Indeed, in their responses to the anonymous digital questionnaire we sent to them, the students at Montale, the classical high school in central Milan, tended on average to trust their neighbors and “system” more than their less privileged counterparts, and to be better at mentalization, i.e. the ability to understand and interpret the thoughts of others as differentiated from one’s own mental state. In other words, **it appears that the psychological inclinations we find in 5-year-old children from different walks of life also show up in young people who are a decade or so older.**

Educational attainment of the parents of Milanese students aged 14 to 16

Students attending the “Montale High School”



Students attending the “Ungaretti Institute”



BEING A TEENAGER IN MILAN

“Do you take as much advantage as you can of others, no matter the cost?”

Asking questions reveals adolescents' different ideas about their behavior towards others and trust in their community

When we asked students at the Montale High School, for example, to assess the validity of the statement “**Never trust other people**”, on average they gave it a score of 5.8 out of 10; in comparison, students at the Ungaretti Institute gave it an average score of **6.9** – almost **20%** higher, as calculated by the percentage gap, or delta, between the two scores. Our analysis of their responses to this and other questions suggests that **teenagers from less affluent**

walks of life in and around Milan are less likely to trust others than do their more well-off peers. This mirrors our findings with our sample of less advantaged preschoolers living on the outskirts of Milan, despite their more tender age. If additional evidence substantiates these findings, it will necessitate careful deliberations; indeed, it might imply not only that children growing up in Milan in underprivileged circumstances are likely to develop negative attitudes

very early on in their young lives, but also that **these attitudes will tend to become entrenched as they grow up and move towards adulthood.**

If individuals from more disadvantaged settings tend to have a lower degree of trust in other human beings, it is hardly surprising that they also have a lower degree of trust in “the system” around them, i.e., any form of rule, organization or institution that is

Average score (from 1 to 10) given by Milanese teens aged 14 to 16 on the following statements:



supposed to ensure the protection of individuals and the fairness of relationships. In addition, those with mindsets characterized by higher levels of distrust in the system often view life as a struggle that demands proactive and forceful self-defense.

Thus while Montale students gave an average score of 3.6 out of ten to the statement **"Take as much advantage of others as you can, even if it hurts them"**, their less privileged counterparts at the Ungaretti Institute gave it an average score of 5.5 – almost 50% higher. Similarly, to the statement

“**Students at the professional institute may have appeared more determined and keen to compete precisely because their expectations vis-à-vis the outside world had always been lower**”

"Mistreat those who mistreat you", Montale students gave an average score of 5.1, while their Ungaretti peers gave it an average score of 7.2 (a delta of more than 40%). And while Montale students gave a score of 3 to the statement **"Give as little as possible to others, even less than what you owe them"**, their Ungaretti counterparts gave it an average score of 5 (a gap or delta of almost 70%).

In short, **students attending the vocational institute generally felt a need to take justice into their own hands and fend for themselves as best they could.** It is undeniable that these teenagers, raised by parents with low educational attainment themselves, had less trust in others and in the impartiality, justice and fairness of the broader system of which they were part than did their more advantaged peers at the high school. Should this finding be validated, the implications could be significant. We would be remiss here if we did not at least mention the studies that followed in the wake of Kenneth Arrow's research in the 1970s on the role of trust for economic growth, and those that

followed Robert Putnam's own work on the importance of trust and social capital for social and political cohesion.

There may, however, be another side of the coin, even though it is impossible to be certain of the interconnection between the various factors. Students at the vocational institute may have appeared more determined and keen to compete precisely because their expectations vis-à-vis the outside world had always been lower than those of their more advantaged peers, i.e. they did not feel that they could rely on others for support.


For example, students at Montale High School assigned an average score of 7.2 out of ten to the statement **"I try to work harder than my peers"**, while the students at the Ungaretti Vocational Institute assigned a much higher average one: **8.3**, a delta of more than 15%.

And when we asked the young people whether they had **"a professional aspiration or project they hoped to achieve"**, the percentage of students attending the vocational institute who stated that they had a "specific" project was one-third higher than the percentage of their more advantaged high school peers who expressed the same thing, while the percentage of the latter who stated that they had a project, but "only a vague one", was more than 50% higher. As we'll see a bit later on, these and other responses suggest that adolescents from more privileged socioeconomic backgrounds are less motivated and committed when it comes to the idea of building their own futures.

BEING A TEENAGER IN MILAN

“I always know how I feel”

Understanding oneself and others
as a 16-year-old living
on the outskirts of Milan

A young girl's face is visible through a shattered glass pane, which is the background of the left side of the page. The glass is broken into many sharp, irregular pieces, creating a fragmented and somewhat obscured view of the girl's features. She has dark hair and is looking slightly to the left of the camera with a neutral expression.

For the psychoanalyst Massimo Ammaniti, there is a direct relationship between self-perception and the “correct” perception of others

As we did earlier with preschoolers, we also surveyed adolescents in another area: **mentalization**, i.e. **the ability to step into someone else’s shoes, understanding their mental state**. And just as we found while speaking with those five-year-olds, our sample of better-off adolescents scored higher here than their less privileged peers.

Asking the teenagers to assess typical mentalization test statements, such as: **“I worry a lot about what people think or feel”**; **“I’m careful about the impact of my actions on other people’s feelings”**; or **“I’ve noticed that people often give others the advice that they themselves would like to follow”**, we found that students at Montale High School gave scores that were consistently from 16% to 20% higher (again, calculating the percentage gap) than those of the Ungaretti Institute students. In contrast, Montale students were markedly more hesitant when asked whether they agreed with the affirmation **“I always know how I feel”**, but more in agreement with another that stated, **“How I feel can easily affect my understanding of other people’s behavior”**.

In a nutshell, adolescents from more advantaged backgrounds seemed to be less confident than their less privileged peers, and

more inclined to call themselves into question including with respect to the outside world. Regarding this finding, Massimo Ammaniti, a psychoanalyst specialized in the area of human development and Honorary Professor of Developmental Psychopathology at the “La Sapienza” University in Rome, has identified a correlation between the respective abilities to call oneself into question and to understand the mental states of others. In his words, *“Knowing how to feel self-doubt and accept that things are not always that easily understood is one aspect of mentalization”*.

“**Knowing how to feel self-doubt and accept that things are not always that easily understood is one aspect of mentalization**”

”

BEING A TEENAGER IN MILAN

Self-esteem and the future

Anche i meno agiati pensano di avere una chance

Even youth from non-affluent homes
believe they have a chance

One positive finding that came out of our research was the fact that neither of the two groups of adolescents in our sample had levels of self-esteem that were either excessively low or excessively high. More importantly yet, we found that these levels did

not diverge significantly from one group to the other.

Young people growing up in environments without the economic and relationship certainties enjoyed by their more privileged high school peers did

not perceive themselves as less intelligent or weaker because of their lower socioeconomic status.

Nor, on the whole, did they feel that they were much less likely to succeed in their life projects. Another intriguing – and encouraging – finding was the



correlation between teenagers' ability to trust others and the rationality we observed in them when we cross-referenced individual responses.

Specifically, we explored how those who had reported higher-than-average levels of trust in others on the questionnaire reacted to our questions on “**mentalization**” (understanding others' points of view).

“**Young people growing up in less privileged environments did not perceive themselves as less intelligent or weaker because of their lower socioeconomic status**”

Here, the young people training at the Ungaretti Vocational Institute who had expressed more trust in others than their peers seemed more sure of themselves. For example, they assigned particularly low scores to the statements “**What other people think is a mystery to me**” and “**Strong emotions often cloud my thinking**”.

BEING A TEENAGER IN MILAN

Local or global?

How our young people see their place in the world

Fifty-five percent of those growing up in central Milan hope to go abroad, versus 29% of those from the outskirts

One area where we observed quite pronounced differences among the two groups of adolescents we spoke with – one from affluent home environments and the other from less privileged ones – had to do with their respective views of their future place in the world.

The young people doing vocational training at Ungaretti were very focused on the places they already lived in; indeed, a majority said that they felt their city, sometimes even their neighborhood, was the right place for them to continue living their lives over time.

Many of the adolescents studying at the Montale High School, on the other hand, said they hoped to leave not just Milan, but Italy itself, although – in keeping with their weaker resolve compared to their socioeconomically disadvantaged

peers – many doubted that they would be able to find a way to do so. Thus while **the former group tended to see themselves as citizens of their own hometown, the latter aspired to become European, indeed global, citizens.** It is impossible to underestimate the implications of this finding from a societal, migratory and potentially also political perspective.

Let's delve further into the issue. While 46% of the students at the classical high school said that **“learning one or more foreign languages”** was **“absolutely essential”**, only 21% of the students from the vocational institute felt this way. And while 49% of Montale students described doing so as **“stimulating and/or fun”**, only 28% of Ungaretti students agreed. More importantly, though, the

two groups had radically different visions of where they felt they belonged in the future. When we asked, **“Where would you like to see your professional life unfold in the first ten years after you leave school?”**, 55% of the students attending the high school in downtown Milan answered **“in another European country or elsewhere in the world”**, compared to just 29% from the vocational institute on the outskirts of Milan (interestingly, however, here too the teens from the classical high school showed little determination or fight, and only 27% said they expected to succeed in moving abroad).

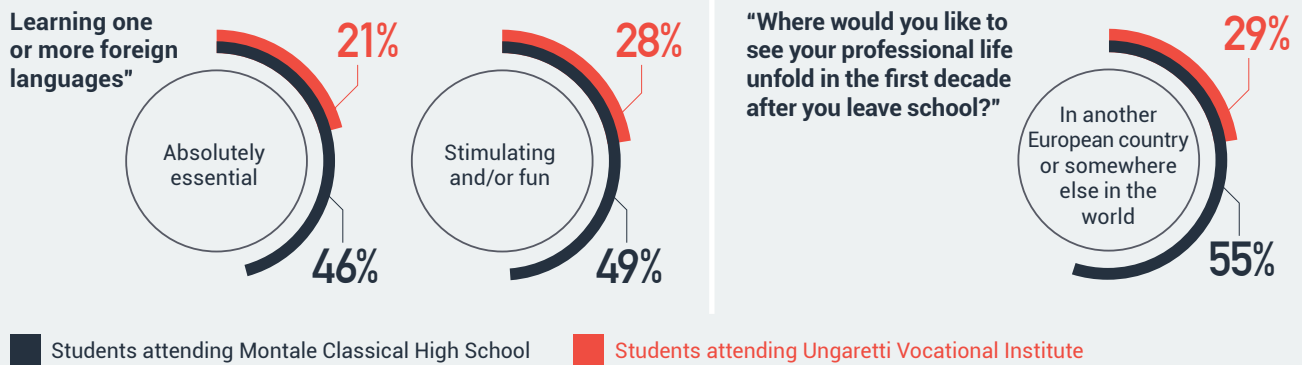
We then gave the young people a chance to answer the same question phrased a bit differently to reverse the perspective, and learned that 9% of Ungaretti students aspired to

a future personal and working life in their current neighborhood, as compared with just 1% of Montale students; still higher shares of students from the vocational institute saw themselves living in Milan (29%), or at least Italy (33%), in the future. Likewise, far fewer Ungaretti teens than their Montale counterparts said that they considered it “indispensable” to “**be informed of major current issues**

“**The former group tended to see themselves as citizens of their own hometown, while the latter aspired to become European, indeed global, citizens**”

related to what is happening in the world”. Behind these answers may lie a serious fault line in terms of the culture, ideas and self-perception of these young people. The weakness of so-called “intermediate bodies” (or, more broadly, centers of aggregation – political parties, producer associations, volunteer groups, neighborhood gathering places) might only help widen this rift.

Average assessment of the following statements by Milanese students aged 14-16:



A starting point for a series of reflections

The work we have presented in this and the previous chapter is in no way definitive, nor does it aspire to be. It lends itself to many hypotheses beyond those we have presented here, and raises more questions than it provides answers. Discovering how uneven the abilities of peer groups living in the same city to trust in others and interpret each other’s mental states are makes us wonder what we as a community could do to help enable our youth to realize their full potential.

Indeed, such divergent aspirations and conceptions of

their future places in the world – whether local or global – could lead to different conceptions of their citizenship and sense of belonging to communities that are lacking in cohesion even from an emotional perspective, given that so many of their members identify with alternate cultures and symbols. There is nothing wrong with this in itself: no society should aspire to be homogeneous to the point of conformity and the rejection of diversity. The problem arises when psychological difference – in terms of self-perception, the perception of other

human beings and that of one’s future place in the world – becomes a social marker. But again, these are not meant as conclusive remarks but rather, ideally, as reflections to help spark a conversation. ■

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From education all the way through health the propagation of frailty

An integrated picture of the main economic, social and environmental phenomena that characterize a country like Italy

By Valentina Amorese¹

1. I would like to thank Federico Fubini, Sara Scalabrin, Cristina Polledri, Edoardo Oldani and all the schools (school directors, professors and educators) taking part to this study. I also would like to thank all testimonials who animated the program of events carried out in avocational school over 2023. Without their help and support almost nothing of what you read and are about to read would have been possible.

“We live a society where over the past few years the relationship between wealth and income has been constantly growing”





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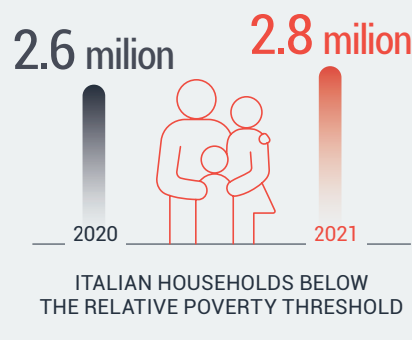
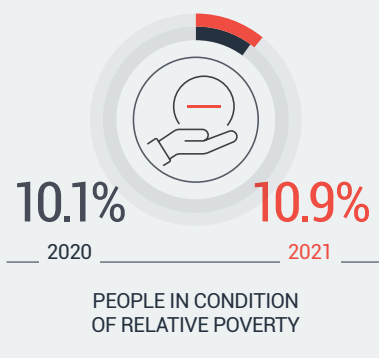
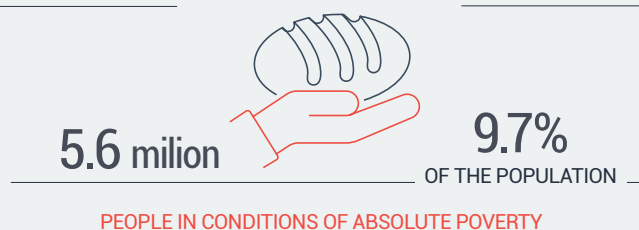
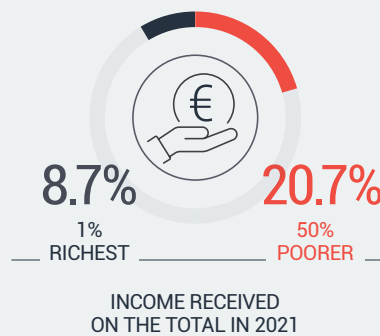
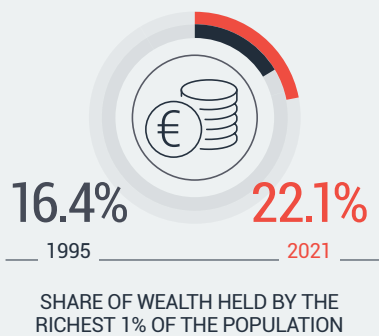
As we have seen in this report, **inequality is a multifaceted phenomenon** involving a whole host of interconnected dimensions: economic, social, educational, cultural and more.

Our analysis has been focused on Italy because of the privileged position Fondazione Cariplo occupies to explore this topic. However, Italy could represent a case study to reflect beyond its national boundaries. To summarize the main characteristics of this country we might start from Simone Pellegrino chapter which a

deeply unequal country”, a nation whose ever-widening income and wealth distribution gaps set it apart from numerous other countries around the world. And while already apparent prior to the COVID-19 pandemic, the situation has only grown more dire since then. As Pellegrino explained earlier in these Report, the share of wealth held by the richest 1% of the population rose from **16.4%** in 1995 to **22.1%** in 2021. There is also a significant income inequality gap in our country, with the richest 1% of Italians receiving **8.7%** of total income in 2021, while just

20.7% went to the bottom 50% of the population. In 2024, according to data from the Italian National Institute of Statistics (ISTAT), more than **5.6 million** individuals – **9.7%** of the population – were living in absolute poverty, a share that surpassed the historical high (**9.4%**) reached in 2020. At the same time, the share of individuals living in relative poverty rose to **10.9** percent (up from **10.1** percent in 2020), while more than **2.8 million** households had incomes that fell below the relative poverty threshold (up from **2.6 million** in 2022).

Share of wealth held in Italy



Thus the divide between those who have more and more opportunities and those who have ever fewer continues to expand, widening the gap between the life prospects of the former and the latter, which in turn exacerbates social fragmentation.

Because supporting communities and combating inequality are key components of the Cariplo Foundation's mission, we cannot help but be deeply concerned by this state of affairs (which, as Pellegrino notes, is in many ways comparable to situations found elsewhere in Europe, such as in Germany and the United Kingdom). Moreover, as noted in Chapter 1, *“the higher a country's wealth inequality is, the more likely it is (provided that the rate of return on capital remains sufficiently high in relation to the rate of nominal economic growth) that it will grow over time, thereby paving the way for the growth of income inequality as well.”* Thus it seems likely that we will soon see even wider disparities in both income and wealth, at least in our own country.

There are several different ways of measuring inequalities, whether we are looking at inequality of income, of opportunity, or other kinds. More conventional measures – the Gini coefficient, for example – can provide us with a summary measure of income or wealth distribution; however, if we are trying to determine which measures impact inequality, either in a beneficial or a detrimental sense we need to delve deeper. We could start by taking an ex-ante approach to inequalities of opportunity¹, i.e., focusing on those circumstances over which individuals have no control, and



The higher a country's wealth inequality is, the more likely it is that it will grow over time, thereby paving the way for the growth of income inequality as well

that make their set of opportunities different from those of others. The literature² demonstrates, in fact, that inequalities of opportunity tend to perpetuate themselves over time. For example, recent studies have shown that countries with higher levels of inequality of access to tertiary education also have higher income inequality. In addition,

the educational attainment and occupation of parents have been found to be key factors in shaping educational inequalities, for example, by influencing their children's decisions as regards their own education and training. Using cluster and factor analysis as descriptive tools, Checchi (2023) has identified three different types of European countries and analyzed them at critical stages along the educational pathway.

The first cluster – the “**Nordic**” one – includes educational systems where school is begun at a later age, the period of compulsory schooling is longer than elsewhere, and there tend to be tracking paths in secondary and tertiary education. Data shows that the educational policies and practices

of this cluster are associated with the highest levels of educational attainment among the adult population, particularly with regard to tertiary education.

The second cluster, which consists of “Continental” nations, features extensive use of early childhood education as well as higher levels of upper secondary education attendance and completion. In these countries, students’ educational careers are supported by the economic and cultural resources of their families.

The final cluster of countries, the “Mediterranean” grouping, lags behind the other two due to lower access to early childhood services, a briefer period of compulsory education, and high drop-out rates from secondary and tertiary education as well as lower levels of enrolment in the latter to begin with. There is also a stronger correlation in these countries between the educational attainment of parents and their children’s educational outcomes,

which seems to point to a low level of efficacy in efforts to lessen social inequality (Checchi, 2023).

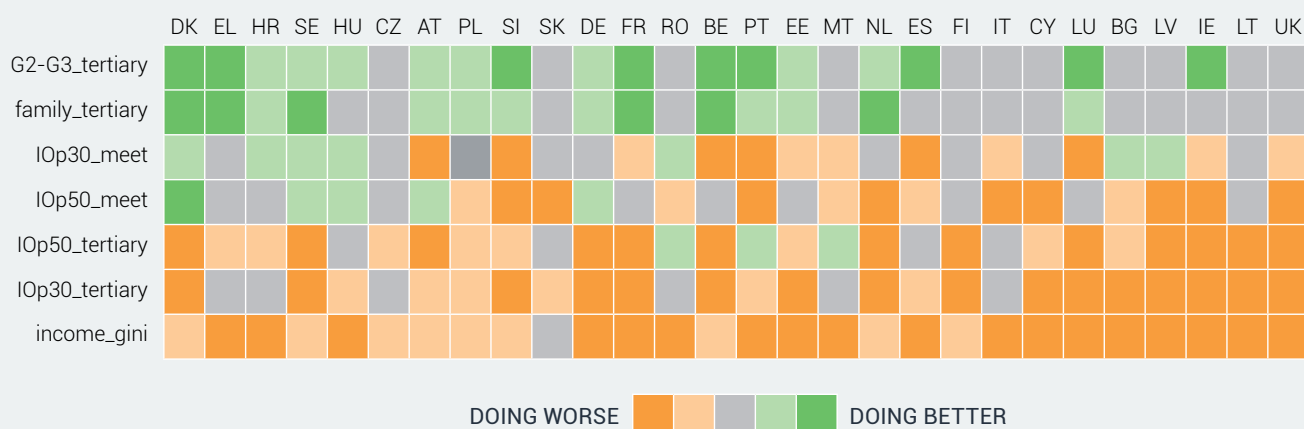
While the literature already underscores how complex this issue is, the Cariplo Foundation’s field experience has unearthed yet further layers of complexity. Indeed, it seems increasingly evident that it no longer makes much sense to talk about “inequality” in the singular, but rather about a whole gamut of interrelated and intersecting forms of exclusion and poverty that, together, often have cumulative negative impacts on people’s lives. Ever more frequently, in fact, economic poverty is both linked to and compounds deprivation in other domains, such as culture, nutrition, education, social relationships and more.

In recent years, the academic and policy debate³ has increasingly moved towards a more broad-ranging and inclusive approach to the topic of inequality that takes account of multiple dimensions, including access to food and healthcare, education, subjective

well-being, and confidence both in the future and in one’s community. The European Union (EU) has also moved in this direction, developing an analytical tool – the Multidimensional Inequality Monitoring Framework⁴ – to help researchers and the general public better understand the complexity of the phenomenon. It is interesting to note that reasoning in terms of clusters is also helpful when making cross-country comparisons of specific inequality levels across Europe.

Figure 1 shows a subset of the domains of inequality included in the EU’s Multidimensional Inequality Monitoring Framework that we identified as most relevant to the analyses and topics addressed in this report. What we find is that in countries such as Denmark, France, the Netherlands and Belgium (we’ll classify these countries as our new Cluster 1), the Gini coefficient of disposable income has recently taken a turn for the worse, although the trends

Figure 1 EU’s Multidimensional Inequality Monitoring Framework



Source: <https://composite-indicators.jrc.ec.europa.eu/multidimensional-inequality> [accessed on 2 February 2024]

regarding the indicators analyzed are contradictory. Specifically, while these countries have seen substantial improvement in terms, for example, of mobility of access to tertiary education, the opposite is true in terms of ex-ante inequality of opportunity in tertiary education.

Next are countries such as Italy, Slovakia and the Czech Republic (our new Cluster 2), where we find more consistent values associated with a fairly stable Gini index of disposable income. Overall, inequality indices in these countries are either relatively stable or getting worse, but only marginally.

Last but not least are the Anglo-Saxon European countries, including England and Ireland (our new Cluster 3), where not only the Gini coefficient of disposable income, but also most of the indicators examined, are deteriorating.

Needless to say, the aim of this kind of analysis – which is not meant to be taken as definitive, and tells us nothing about the absolute value of inequalities (for example, Belgium, which is part of our Cluster 1 countries – those whose Gini coefficient of disposable income is worsening – also has one of Europe’s lowest Gini coefficients of income inequality: 0.26), is to focus on longitudinal trends to spur reflection on what likely lies ahead of us. This raises various questions, such as whether mobility of access to tertiary education is likely to worsen in our Cluster 1 countries, given that ex-ante inequalities are on the rise there. Also, **which of the policies implemented by Cluster 1 countries have helped to improve intergenerational**



“One of the reasons that the EU’s Multidimensional Inequality Monitoring Framework is useful is because it helps us to better grasp and frame a situation that is becoming increasingly critical

mobility in education? And can we identify any common features between these two trends?

One of the reasons that the EU’s Multidimensional Inequality Monitoring Framework is useful is because it helps us to better grasp and frame a situation that is becoming increasingly critical, and that requires us to stop thinking and talking about “inequality” in the singular, and to start tackling a much deeper and more complex phenomenon:

a host of intersecting inequalities that cumulatively shape the day-by-day living conditions of individuals and communities. **In this scenario, different dimensions of inequality interact through forms of action/reaction or cause/effect that are not necessarily always linear.**

In the following section we will investigate the case of Italy, using the EU’s methodological framework as our conceptual basis and drawing on data contained in ISTAT’s *Equitable and Sustainable Well-Being in Italy*, a recent (2022) report that provides an integrated picture of the key economic, social and environmental phenomena characterizing Italy today. It might be useful in the future to seek to elaborate and explore the cases of other countries as well, in order to facilitate cross-country comparisons and develop best practices and policies to lessen inequality.

HOW VULNERABILITIES SPREAD

Taking a multidimensional approach to inequalities

From school to health, everything is connected

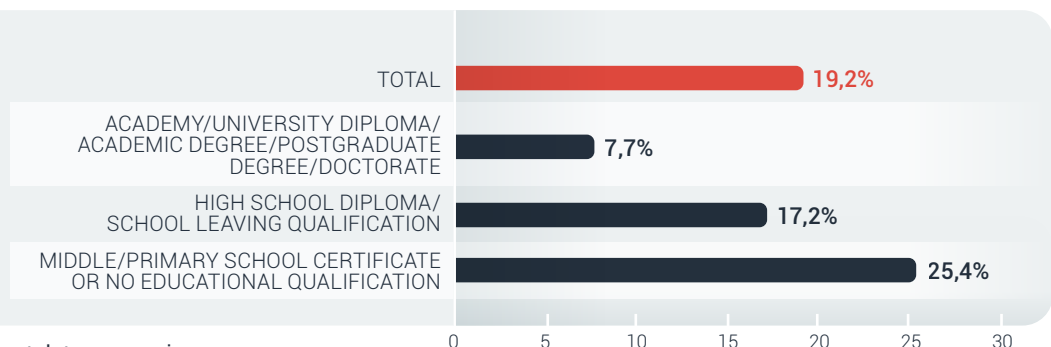
Let's us try to reflect on the case of Italy crossing different relevant factors

The aim of this brief section is to use the multidimensional approach to investigate the case of Italy and get a clearer picture of how – not in theory, but in practice – different dimensions of inequality help

shape and define our opportunities and those of our fellow citizens. In Italy, only 7.7% of people who have earned a bachelor's degree (Figure 2) or a higher qualification are at risk of poverty⁵, while the

number climbs to over 25% among those who have only a primary or middle school certificate or no educational qualification at all.

Figure 2
Risk of poverty by educational level



Source: BES – ISTAT report data processing.

According to data published on the website Italia in Dati (Italy in Numbers: <https://italiaindati.com/>), on average those with a university degree (laureati) earn a gross annual salary of **39,787 Euros**, as compared to the **27,662 Euros** a year earned by those without one, meaning that the former earn **43%** more than the latter. Those with a second-level master’s degree earn an average gross annual salary of **47,000 Euros**, i.e. 69% more than those who do not hold a bachelor’s degree.

Thus, as is true for many other countries around the globe, in Italy, too, higher educational attainment is associated with better employment prospects, a link confirmed by data both from the EU’s Multidimensional Inequality Monitoring Framework

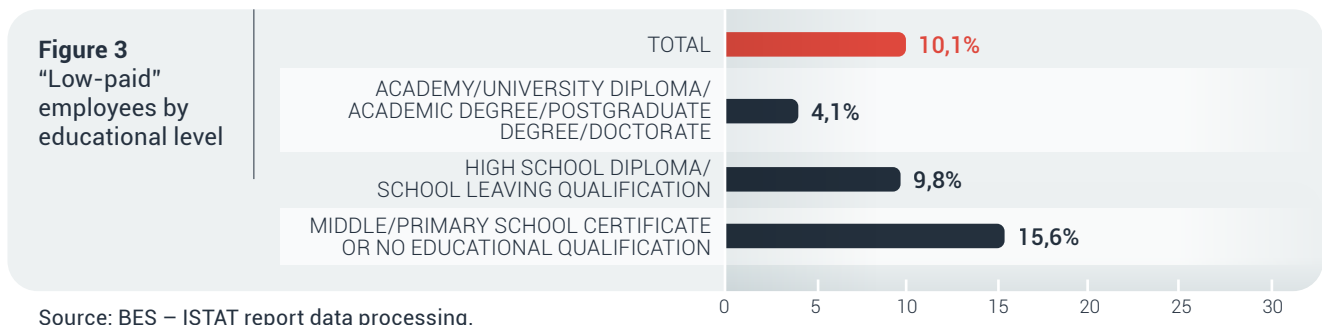
and the Organisation for Economic Co-operation and Development (OECD), the international organization that brings together 38 Member states.

In 2021, the employment rate for 25- to 34-year-old Italian university graduates was 20 percentage points

“ Back in Italy, just 31% of women with less than an upper secondary education held a job in 2021, compared to 70% of women with tertiary education ”

higher than that of those with less than an upper-secondary education, and 6 percentage points higher than that of those with upper-secondary or post-secondary (but non-tertiary) education. Moreover, while there is a positive link between educational level and employment rate for both men and women across the OECD area, it is stronger for women. Back in Italy, just 31% of women with less than an upper secondary education held a job in 2021, compared to 70% of women with tertiary education; for men, the numbers were 64% and 71%, respectively .

ISTAT data also shows that the lower an individual’s educational level is, the higher the odds are that she or he will fall into the “low-paid” employee category, i.e., earning a salary that is two-thirds of the median value (**Figure 3**).





“
We find that those who are better educated tend to be in better overall health
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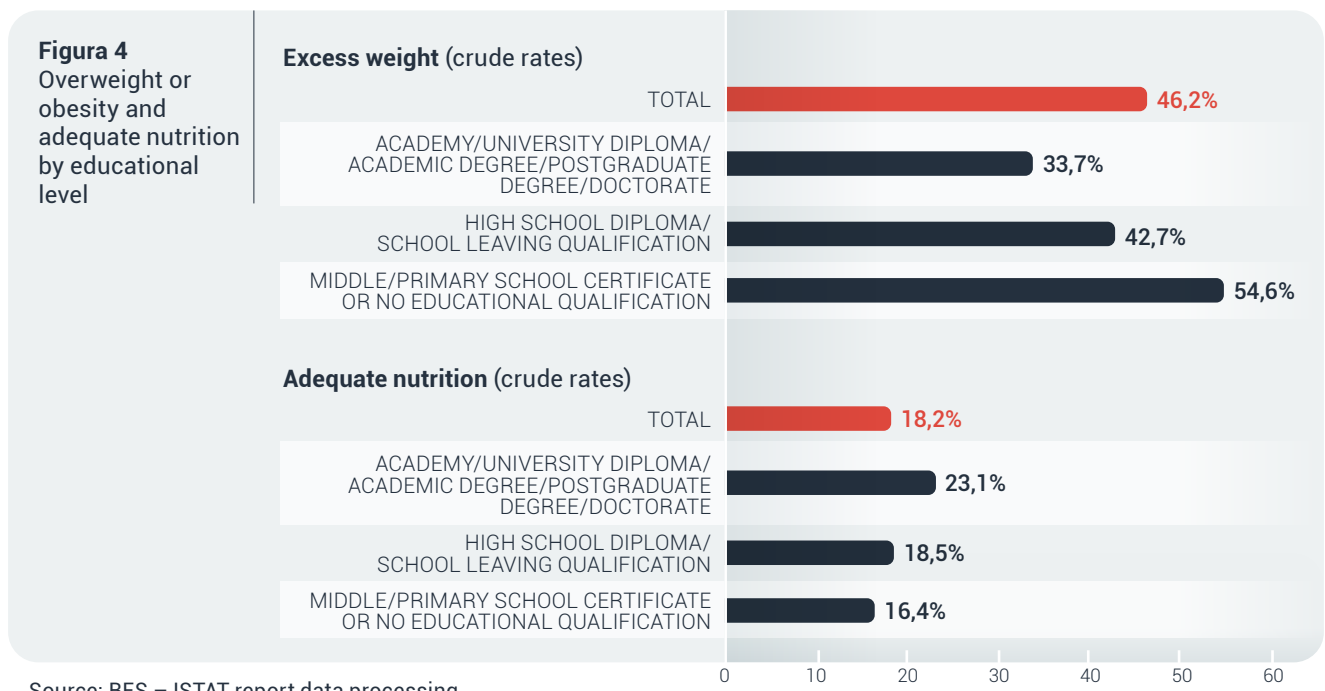
A good education and skills are thus vital prerequisites for finding a job, the benefits of which go beyond earning one’s income to include aspects such as social inclusion, personal fulfillment and self-esteem⁹.

However, as we saw in the chapters by Gian Paolo Barbetta,

Luca Stella and Lorenzo Vaiani and Daniela Fadda, Marta Pellegrini and Giuliano Vivanet and in the European portal of Multidimensional Inequality Monitoring Framework, it is important to remember that in Italy, **the likelihood of earning a bachelor’s degree is much lower**

among those whose parents are not university graduates themselves.

What happens if we introduce a further dimension of inequality into the discussion? Let’s look, for example, at **access to health and healthcare (Figure 4)**. Here too, we find that those who are better educated tend to be in better overall health. For instance, **33%** of university graduates in Italy are overweight or obese, while **23%** feel that their nutrition is adequate; on the other hand, the figures for individuals who studied no further than lower secondary (middle) school are **56%** and **16.4%**, respectively.

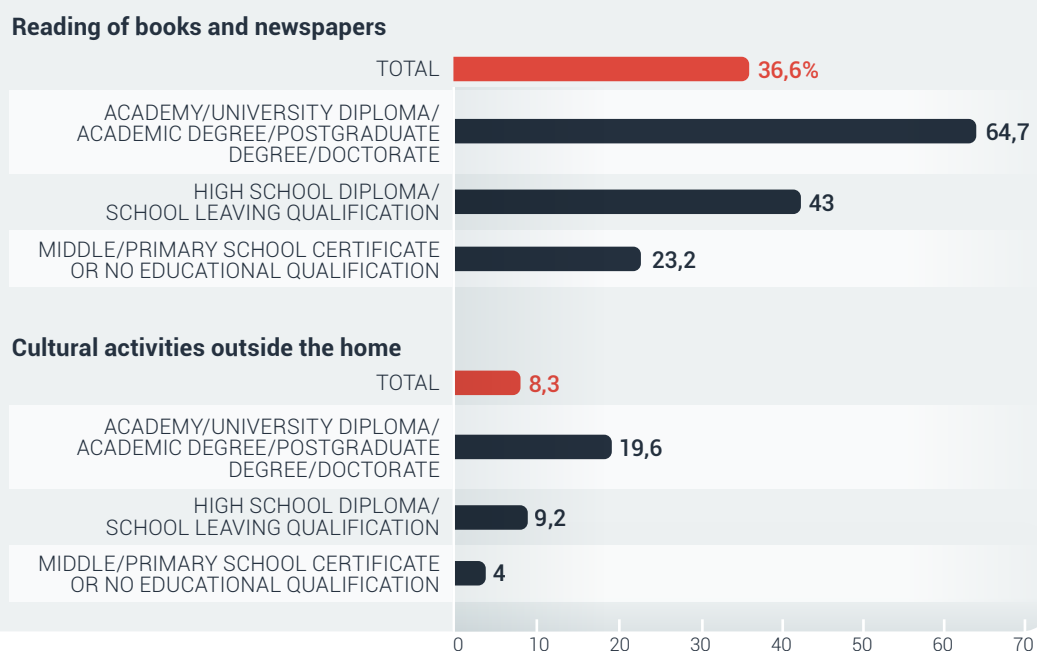


Turning our attention to other domains, we find further divides associated with educational level, including people’s access to information and **culture (Figure 5)**, degree of concern about **climate change (Figure 6)**, and sense of confidence about the future (Figure 7). In fact, the higher people’s educational level is, the more concerned they feel about climate change, and the lower it is, the less confident they feel about the future. There are also differences, albeit minor ones, as regards Italians’ sense of job security (or lack thereof) based on their educational level.

“We find further divides associated with educational level, including people’s access to information and culture, degree of concern about climate change, and sense of confidence about the future”



Figure 5
Information consumption and cultural participation by educational level



Source: BES – ISTAT report data processing.

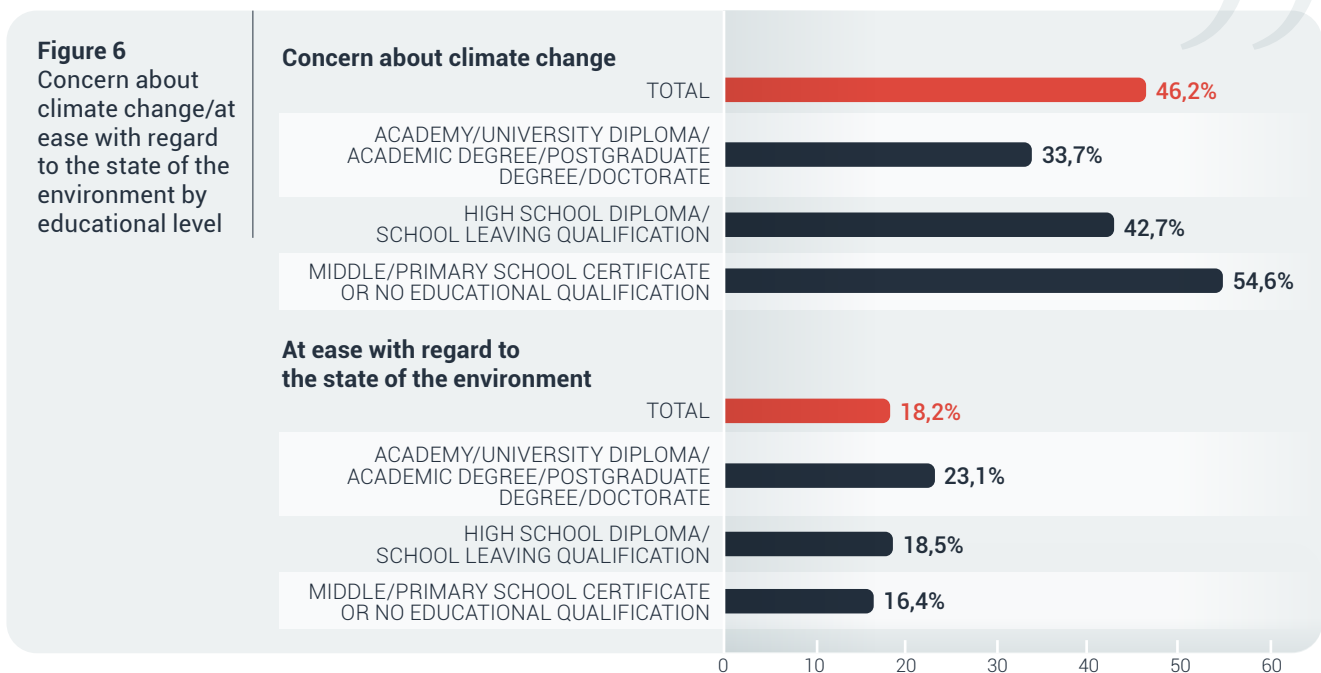
Summing up what we've learned about the case of Italy, a country that is considered to be one of the world's most advanced economies, an individual's **income level** tends to rise, and their **risk of living in poverty** to decline, depending on how well-educated they are. At the same time, the probability of earning a university degree seems to be closely linked to parental **educational attainment**, which **seems to pass from parents to children, from one family generation to the next, much like the way family wealth is inherited.**

In other words, there seems to be a pattern in Italy today, a self-reinforcing virtuous/vicious cycle whereby the educational and employment pathways of individuals seem to be predetermined by the level of education of their parents, irrespective of their own aptitudes and inclinations. Taken together with the findings



discussed by Federico Fubini earlier in this report, this situation only underscores the urgency of addressing any limitations or shortcomings in **policies aimed at combating educational inequalities.**

“There seems to be a pattern in Italy today whereby the educational and employment pathways of individuals seem to be predetermined by the level of education of their parents”



Source: BES – ISTAT report data processing.

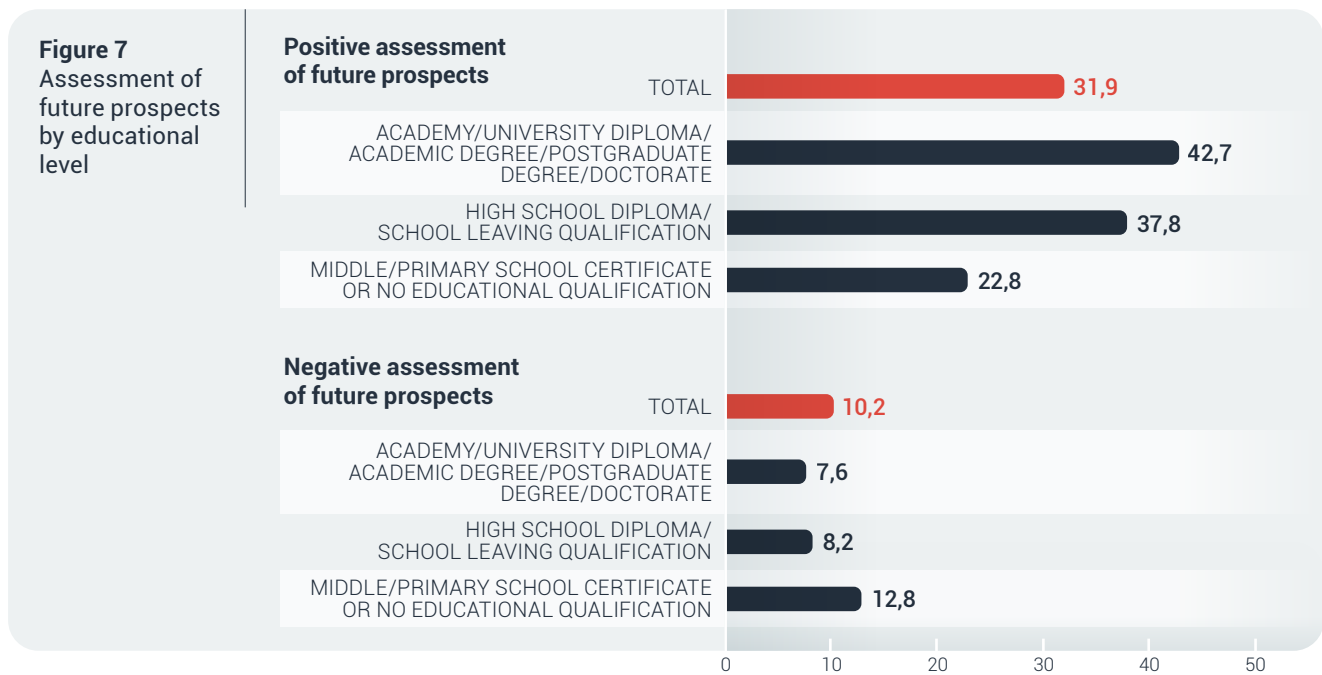
In short, economic wellbeing and higher educational attainment are some of key factors contributing to overall quality of life.

Thus what we see in Italy is not any different from what Anand et al (2020) discuss. Indeed as they

suggested in our country **various multiple aspects of inequality overlap and interact to engender disadvantage both very early on in an individual's life and then as she or he moves toward adulthood**, going well beyond a

purely economic dimension.

In this scenario, **the opportunities available to our citizens are not only unequal, but also shaped by the environments they are born into.**



Source: BES – ISTAT report data processing.

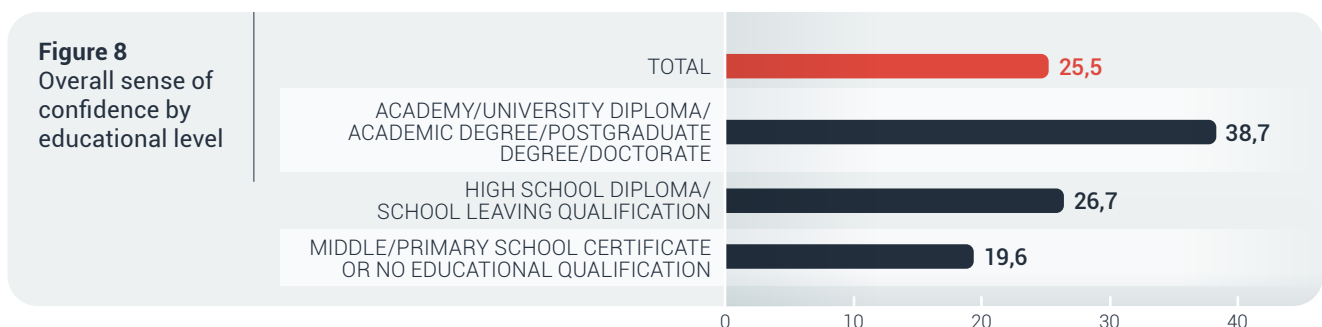
This is a problem, as Article 3 of the Italian Constitution reminds us: “All citizens have equal social dignity and are equal before the law, without distinction of sex, race, language, religion, political opinion, or personal and social conditions. It is the duty of the Republic to remove all economic and social obstacles

that, by limiting the freedom and equality of citizens, prevent the full development of individuals and the participation of all workers in the political, economic and social organization of our country”.

What’s more, as we will see in greater detail below, **a society like ours squanders part of its**

potential by failing to help each and every one of its members to reach their own full potential.

This failure becomes particularly serious given the critical demographic trend underway in many European countries, most notably in our own, i.e. a rapidly expanding aging population.



Source: BES – ISTAT report data processing.

— HOW VULNERABILITIES SPREAD —

The loss of human development due to inequalities:

A problem for us all

Only 8% of young people whose parents did not earn an upper secondary school diploma go themselves to earn a university degree (OECD average 22%)

The research we have analyzed in these chapters shows that, at least in Italy, a degree of intergenerational continuity exists as regards educational attainment. Thus being born into one family rather than another shapes the course of an individual's life from earliest childhood onwards.

This phenomenon is underscored in other studies as well, such as the 2023 Report on Poverty by the Catholic charity Caritas, which finds that most of the individuals born between 1966 and 1986 who currently live in poverty came from households with parents characterized by either low educational attainment, none at all, or even illiteracy. What's more, children of less educated parents are more likely to leave school

early, at the end of lower secondary school and sometimes earlier yet, after earning their elementary school certificate. The Caritas report shows that **just 8% of young people in Italy whose parents did not earn an upper secondary school diploma go on themselves to earn a university degree, as compared to the OECD average of 22%.**

Italy also distinguishes itself negatively when it comes to the percentage of the adult population with a university-level education. According to OECD data, in fact, the figure is just **20%**, compared to the OECD average of **40%**. This puts Italy in the lowest third of the OECD ranking, alongside countries like Bulgaria, Hungary and Romania (the only country in Europe to do worse than Italy), lagging well behind

others like France, Denmark and Spain, which, with over 40% of the adult population holding university degrees, are in line with the OECD average. At the top of the ranking – from 46% to 48% of adults with degrees – are Canada and the United States, as well as Sweden, Belgium and Norway.

While it is true that education plays a key role in shaping individuals' careers and economic status, the literature shows us that there are cases – and Italy is one of them – where upward mobility does not come easy in any case. Indeed, children whose parents hold low-end occupations frequently end up in similar positions as adults, or – as we have seen in recent years – even lower-level ones. The many reasons for this phenomenon

have been covered extensively by the literature, and we should not consider Italy as an outlier in this sense. However, while exploring the topic in depth is beyond the scope of this chapter, it is important to highlight a few points before we move on.

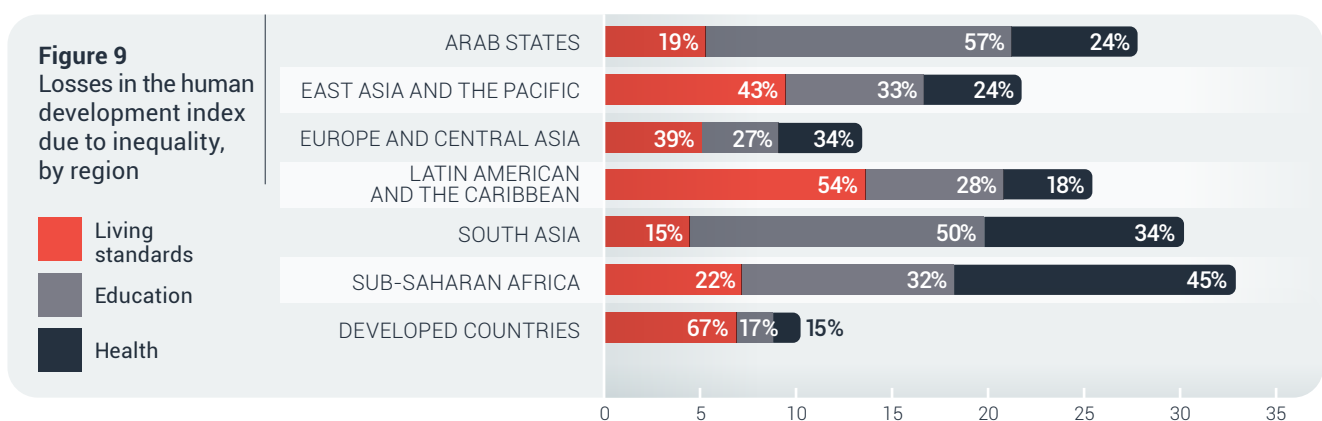
As discussed earlier in these pages by Vivaret et al as well as in the UNDP’s Human Development Report 2019, parental educational attainment plays a major role in shaping the environment in which children grow up. In other words, children with well-educated parents are more likely to grow up in stimulating, emotionally nurturing, enabling settings that provide opportunities for play and exploration and meet their health, nutrition and development needs to positively shape their growth. Thus different environments lead to different life opportunities and trajectories; as per the “sliding doors” concept, the prospects and life outcomes of a hypothetical child raised in two distinct environments are likely to diverge significantly, with the stimuli-poor, disadvantaged setting resulting in fewer opportunities from day one for her or his personal growth.

The literature suggests that societies where educational attainment is consistently “passed down” from generation to generation, as is the case in Italy, are also among the most unequal. So, is it reasonable to expect higher levels of equality in countries like France and Belgium, where, according to the EU Multidimensional Inequality Monitoring Framework, there is higher intergenerational mobility? Put this way the question is clearly rather broad; it would be helpful to narrow it down, given that it is increasingly apparent that conceiving of and speaking about inequality in a generic manner no longer makes a great deal of sense.

“Due to the inequalities that exist in the societies we live in, the level of human development that is actually achieved does not match the maximum achievable level of human development”

Changing the dynamics that see the different dimensions of inequality increasingly intersect with each other will not be an easy task. It will necessitate hard work by an extensive group of committed, resolute stakeholders who will take a different approach to observe inequalities, and **who will need to examine at least two dimensions: the individual and the collective.** It is clear, in fact, that individuals born into unequal societies do not receive the same opportunities; and the gap that opens up for disadvantaged citizens in their earliest years, and that will likely continue on through adulthood, seems more and more an overt injustice at the individual level. However, this phenomenon also **risks becoming a problem for all of us.** Why?

Because, as the literature explains, in unequal societies there is a **divide between potential human development and actual human development** (Human Development Report 2010 and 2019). In other words, due to the inequalities that exist in the societies we live in, the level of human development that is actually achieved does not match the maximum achievable level of human development, and this is problematic **for each and every one of us.**



Note: The numbers inside the bars are the percentage share of total losses due to inequality attributable to each human development index (HDI) component.

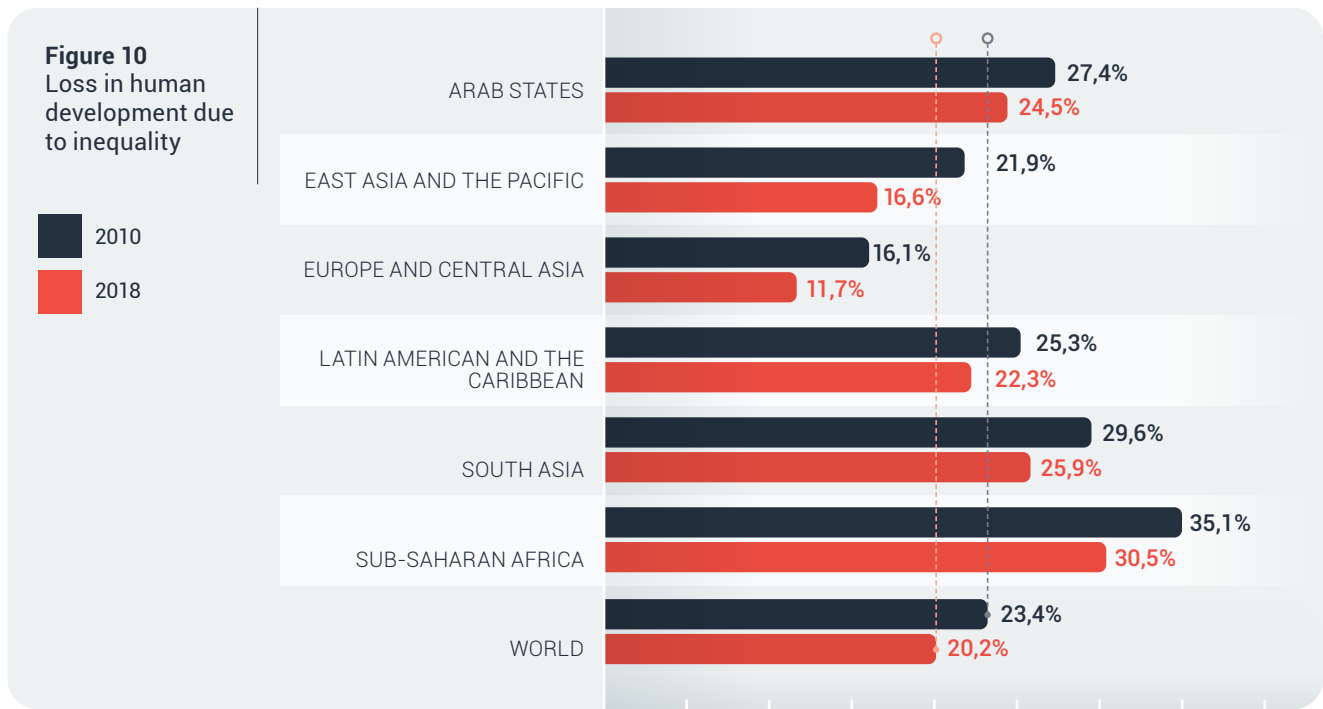
Source: Human Development Report 2010 data.



who end up unable to achieve their full potential due to inequalities in the societies to which they belong. **And this loss of human potential is not limited to those rare genius figures like Einstein; it also applies to countless others who are denied the opportunity to fulfill their own rich potential because of such disparities.** Given that this phenomenon leads not only to lower economic well-being but also, arguably, to lower personal satisfaction, it is clearly a problem for the individuals in question. But it also **represents a loss for societies as a whole, one that impacts both their affluent and non-affluent members,** because this waste of human potential weakens and undermines our increasingly unequal societies.

Indeed, one of the negative consequences of unequal societies is what we could call “lost Einsteins”, that is, individuals who possess the

capabilities to make revolutionary discoveries – some of which could lead rapidly to positive societal change, as was the case with Einstein’s theory of relativity – but



Source: Human Development Report 2018 data.

To better quantify the problem, let's take a look at the UNDP's Inequality-Adjusted Human Development Index (IHDI), which captures the loss in human development due to inequality in three basic dimensions: health, education and income. In other words, **the IHDI measures the actual level of human development when inequality is accounted for, in contrast to the Human Development Index (HDI), which can instead be viewed as the level of potential human development, i.e. the index that could be achieved if there was no inequality.** Thus in a completely equal society – i.e., one where there is no inequality across the population – the value of the IHDI and the HDI match, whereas in an unequal society, the value of the IHDI is lower than that of the HDI. According to the UNDP, in 2021 the average world loss in human development due to inequality was

19.4%. Put differently, we could say that quality of life of an average citizen around the world was **20%** lower than what it could have been if we lived in a society without any inequality. Not surprisingly, the countries with the greatest losses in human development due to inequality – including Central African Republic, Chad and South Sudan – are located in the global South. There, this loss is estimated

“We could say that quality of life of an average citizen around the world was 20% lower than what it could have been if we lived in a society without any inequality”

to be between 30% and 40%. On the other side of the spectrum are countries such as Finland, Denmark and Belgium, with IHDI of 7% or less. It is worth noting that the so-called global North includes not only countries like Italy and Greece, but also Israel, the United States and Singapore, where the percentage of loss in human development due to inequality exceeds 10%. This seems to suggest that efforts could (and ought to) be made to implement policies and practices to mitigate the phenomenon.

It is evident that all of us – whether rich or poor – are experiencing loss in this scenario. Given that we have been living for some time now in what some have termed a “permacrisis” or “pluricrisis” – in other words, a situation of continuous and overlapping emergencies accompanied by relentlessly escalating inequality – the focus of this report could not be more urgent.



— HOW VULNERABILITIES SPREAD —

A glimpse into the future

Where these trends will take us?

The problem does not lie in the existence of inequalities as such, but rather in the feeling that they are inescapable

This chapter concludes the Cariplo Foundation's inaugural report on the subject of inequality. It is important to note that while a moderate degree of inequality can sometimes play a constructive role within a society, a sustained trend towards rising inequality instead brings a myriad of challenges for both individuals and society at large. Our report has tried to shed light on the fact that Italy currently finds itself in the latter situation.

We started out by exploring the economic dimension of inequality, looking at how increased income and wealth inequality inevitably leads to increased inequality of opportunity. This, in turn, has negative repercussions for social mobility. And the problem does not stop there: greater inequality also exacerbates social cohesion, destabilizing the broader political situation, and it can foster financial instability as well.

In the following chapters we delved into the educational dimension of inequality, investigating the differences between the capabilities and attitudes of socioeconomically disadvantaged children and young people and their more advantaged peers. We saw how these gaps manifest early in children's lives and become further entrenched as they move towards and reach adolescence, shaping the know-how, outlook and aspirations of our country's youth and thereby



impacting broader society as well. **It is important to remind ourselves that multiple possible futures lay ahead of us.** Which path we end up taking will depend on whether, and to what extent, we succeed in nurturing the wealth of talent in our young people. When addressing the issue of inequalities, therefore, it is essential to engage in a broad and multifaceted discussion that transcends not only national and disciplinary boundaries but also, and above all, the boundaries that divide human beings based on their socioeconomic status. Clearly, changing this situation for the better will be no easy task.

“ **It is important to remind ourselves that multiple possible futures lay ahead of us. Which path we end up taking will depend on whether, and to what extent, we succeed in nurturing the wealth of talent in our young people** ”

It will require coordinated efforts by a range of public and private stakeholders. We have endeavored here – without any pretense of trying or being able to provide definitive answers to a complex phenomenon that affects us all – to adopt a fresh perspective on it, and to foster an environment for open dialogue. Indeed, if we persist in the notion that inequality, whether economic, educational, or gender-based, affects only those who directly experience it, we run the risk of overlooking the crux of the issue and, consequently, underestimating the breadth of its impact on society.

In this complicated scenario, we also need to keep in mind that alongside the intersecting dynamics that characterize inequalities are the diverse historical, cultural and political facets and traditions of different countries. Among these various aspects, we need to focus on the demographic profiles found in different settings, because while it is of course important to optimally develop the potential of every individual – whether younger or less so, male or female, a university graduate or not – it is imperative

that we prioritize harnessing the potential of our youth, devising and implementing policies and practices to help them grow and flourish. This necessity becomes even more pressing when it comes to a continent like Europe, whose aging population has continued to outpace that of any other demographic group for some time, with countries like Italy facing a true “demographic winter” for many years now, with a constantly declining birth rate and a retiree-heavy population.

Against this backdrop, wasting the potential of even one young person is a risk that we cannot afford to take.

As we saw in the preceding chapters of this report, and as the literature underscores, this mushrooming of inequalities is marching us towards further loss of human potential, a perilous trend that needs to be countered collectively for the good of all. Although it is of course well beyond the scope of our organization to come up



“This mushrooming of inequalities is marching us towards further loss of human potential, a perilous trend that needs to be countered collectively for the good of all”

with final solutions to such a complex challenge, we were keen to help initiate a broad-based dialogue to seek out possible answers to a range of questions, such as: **How can we help to reverse this trend? How can we work to enhance the potential of every citizen, but most importantly, that of young people?** For it is they who are the future, and it will be thanks to their work, and their discoveries, both small and large, that define what kind of society is to come into being next.

Ahead of us lie a multitude of paths and crossroads, so if our aim is to foster the development of all, it seems sensible to take a cost-benefit approach to the intensification of inequality. It is a fact that different starting conditions exist for us all; thus the question is, how can we seek to correct the default trajectory so common in contemporary societies, whereby those who have more opportunities get to make the most of their potential, gaining access to economic prosperity and further opportunities, while those who start from a situation of disadvantage embark, unless measures are taken to bolster them, on a downward trajectory that leads to the loss of their human potential and creates growing divides between individuals and communities? We hope that these considerations can serve as a jumping board for an open and inclusive debate on the topic at both the local and international levels. ■

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