ITALIAN UNIVERSITIES: THE POOR ARE PAYING FOR THE RICH
EMBARGOED 8 MAY 2014 1630

The poor are paying for the children of the rich to attend university, according to Professor Andrea Ichino of the European University Institute.

Speaking at the State of the Union conference Ichino said the current Italians system is "unfair".

Couples in which neither partner earns more than 31,000 euros make up 62 per cent of Italian tax payers, contributing 30 per cent of the country's income tax, therefore financing 30 per cent of the public university budget.

"This is a gift of 2.7 billion euros to families with children in university," said Ichino.

Ichino believes university education is different from other public services because it "generates private returns that are relatively large in comparison to positive externalities for society." It also is disproportionately used by those who could afford to pay more for it.

"Less than one tenth of poor tax-payers send their kids to university, while among the rich almost one forth go to university."

Ichino's solution is to turn the state from a provider to an insurer offering returnable scholarships or contingent loans in conjunction with "an increase in university tuition fees, differentiated by family income."

Returnable scholarships of 80,000 euro for a five year programme would, Ichino believes, give the financial freedom to students to study at the best universities regardless of distance from home. The fellowship would then be returned as a percentage of their post-graduation wage.

According to Ichino this new system would not only be fairer to student from poorer backgrounds but would also deliver more funding to universities. Currently Ichino believes tuition fees cover too small a percentage of total cost of teaching a student.

This would enable the institutions to compete, invest and innovate allowing them to offer a better education to their students.

EUI Press Team
euipress@eui.eu

Headline Press Agency
gianpaolo@hlstampa.com
leonardo@hlstampa.com