The Cost of Ignorance

The high rate of school abandonment and dispersion, together with public spending on education that is among the lowest in Europe, has a profound impact on the cultural and social fabric of our country.

Italy is at the bottom of the rankings in Europe as regards school abandonment. We are fourth from last, with a percentage of 14.5 percent, and still far from reaching the goal of 10 percent set for 2020. The only countries worse than us are Spain, Malta, and Romania. (1) This is not recent news, and like all other news, after having made the headlines of some newspapers for a few days, it then disappeared from the radar. It merits greater reflection, though, because behind the figures there are definitions and meanings that are often different, and that point to responsibilities and possible actions that are necessarily differentiated. First of all, we must distinguish between “school abandonment,” i.e. the number of youth under 25 who do not go beyond middle school, without obtaining additional diplomas or professional qualifications, and “school dispersion,” that regards leaving compulsory education early, before obtaining a diploma.

*Fabrizio Perretti is the Director of E&M and Professor of Corporate Strategy at the Bocconi University.
As regards compulsory education, according to the most recent data, dispersion in middle school is decreasing — in the 2016/2017 school year it was equal to .69 percent (corresponding to 11,830 students) compared to .8 percent (14,258 students) in the previous school year — and has a higher incidence among males (.77 percent compared to .59 percent for females), in the South (in Sicily, Calabria, and Campania in particular) and among foreigners (2.92 percent compared to .45 percent of Italians), especially those born abroad and coming from certain countries (in particular Ivory Coast, Bosnia, Egypt, and Bulgaria). In absolute values, however, it is important to stress that the regions of Northern Italy represent 33 percent of the total students who leave the school system and that foreign students are equal to 28 percent of the overall total (72 percent represents students who are Italian citizens). (2)

Both phenomena are worrying because they highlight how people do not have the minimum knowledge required by law, or do not have that knowledge that, despite being mandatory, is necessary not only to access the labor market, but also to be conscious citizens, able to understand the society they live in and actively participate in collective decisions. It is even more worrying when we compare Italy to other nations, and see that the country is at the bottom of the rankings. According to a recent report, (3) Italy not only has one of the highest percentages of NEET (people who are not in education, employment, or training) — 23.9 percent compared to the European average of 12.7 percent and the OECD average of 13.2 percent — but has also gotten worse compared to ten years ago (2008) when the percentage was 19.2 percent. Public expenditures allocated to education also place us at the bottom: we are the worst among OECD countries in terms of percentage of total public spending (7.4 percent compared to the European average of 9.6 percent and the OECD average of 10.8 percent) and among the last in terms of percentage of GDP (3.6 percent compared to the European average of 4.5 percent and the OECD average of 4.9 percent).

All of this has a significant economic and social cost, especially for the new generations and thus the future of the country. In addition to the cost of ignorance, we must add the cost of the “brain drain” which takes intelligence abroad. While the first can be traced to the failure of the state, that is unable to enforce laws on compulsory education and does not invest enough in the sector, the second is attributable to the failure of the internal market — and thus its businesses as well — to keep and offer opportunities to people educated through public resources. In this case,
the brain drain actually highlights the success of the state, the ability to export the “products” and excellent results of its education and training system abroad, despite the presence of scarce resources. To lay the blame for Italy’s shortcomings on the state and the structure of our education model is not only simplistic, but not even intellectually honest. In addition to the costs of ignorance, we also need to avoid the costs of propaganda from those who oppose the state and then complain of its ineffectiveness, which they have contributed to create by limiting its resources.

The cost of ignorance also reflects on the future of newspapers – the subject of this issue – above all from the standpoint of the demand represented by readers. Starting with the initial historical gap in the literacy rate compared to other nations, (4) our country has always been at the bottom of the rankings in terms of the circulation of newspapers. In 1990, the year in which the peak number of copies were sold, Italy was in one of the lowest positions in Europe (119 copies per 1,000 inhabitants). Only Greece, just a little behind (116 copies), and Spain (83 copies) were worse than us, although Spain would pass us in 1995. (5) The persistence of an education gap with other nations is thus not a positive sign in a market of readers that has traditionally been weaker. Yet the cost of ignorance also reflects on the quality of supply. With the excuse of having to adapt to the existing public, there is a risk of offering lower quality products that instead of raising the profile, contribute to reinforcing precisely that type of demand. This is a vicious circle from which it becomes hard to exit, and that cannot handle the competition of alternative, free media, such as television first, and internet afterwards.

In addition to having further accentuated this phenomenon, the explosion of internet has also highlighted some important differences with respect to what has taken place in other sectors. In most cases, the web has in fact allowed for the birth and entry of new subjects (think of Amazon, Uber, or Airbnb) that have created strong competitive pressure for traditional subjects. In the case of newspapers, this has not taken place. Initially, no new subjects arose that competed with existing newspapers. There were not even the phenomena of piracy that had heavily affected sectors such as music first, and movies later. Rather, the strongest, consolidated newspapers, searching for larger advertising markets, decided to change their economic model by freely offering what
previously had been provided only for payment. They then discovered that this way, they had essentially threatened their own survival. In this case as well, ignorance – understood as the inability to assess risks, and the overestimation of opportunities – had a cost. Understanding what will happen in the future is important for all of us both as citizens, because newspapers have always played a fundamental role in the formation of public opinion, and for those who operate in businesses and find themselves faced with similar scenarios and dilemmas. How newspapers face their future can indeed provide a useful lesson, whether it represents a case to imitate, or an example to avoid. Enjoy reading!


(2) See the report of the Ministry of Education, University, and Research - MIUR La dispersione scolastica nell’a.s. 2016/2017 e nel passaggio all’a.s. 2017/2018 (luglio 2019) e la deliberazione della Corte dei Conti La lotta alla dispersione scolastica: risorse e azioni intraprese per contrastare il fenomeno (July 26, 2019).


(4) In 1870, the illiteracy rate in Italy was 68 percent, much higher than in France (31 percent), the United Kingdom (24 percent) and the United States (20 percent). In 1970, our illiteracy rate fell to 6 percent, but still higher than France (3 percent), the United Kingdom and the United States (both at 1 percent). The gap with these countries was only made up in 2010.