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**DIRECTORATE FOR EDUCATION  
EDUCATION POLICY COMMITTEE**

**Network on Early Childhood Education and Care**

**RESPONSES ON FINANCING ECEC SERVICES: ITALY**

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## QUESTIONNAIRE FOR THE 7<sup>TH</sup> MEETING OF THE NETWORK ON EARLY CHILDHOOD EDUCATION AND CARE (ECEC): FINANCING ECEC SERVICES

### PART I: Data on ECEC costs and financing and data-related issues

#### 1.1 *General information: types of ECEC services*

1.1.1 This question aims to update the information on childcare and early education services presented for your country. Please review Annex A. If updates need to be made, please provide the necessary information below. If existing information is still accurate, simply indicate “No Change”; you do not need to duplicate.

If your country is *NOT* listed in Annex A, please list different types of ECEC services offered in your country and provide the following information for each of the services:

- Which category (a) centre-based care (b) family-day care or (c) pre-primary education;
- What age range is covered;
- Whether public or private; and
- Whether compulsory or not.

1.1.2 This question aims to complement Question 1.1.1 and elicit a fuller picture. Which type of ECEC provision is mostly in use or in operation in your country? Please indicate in the table below the proportion of:

- Children registered for each type of ECEC provision as a percentage of the total number of children of the age group; and
- Care services, centres or pre-schools for each type of ECEC provision as a percentage of the total number of such services.

Type of provision	Early Childcare		Pre-primary education		Integrated system	
	% of registered children	% of services, centres, pre-schools	% of registered children	% of services, centres, pre-schools	% of registered children	% of services, centres, pre-schools
Public provision	20,066	M	946,484	M		
Private not for profit provision	24,292	M	67,654	M		
Private for profit provision	1739	M	16,848	M		
Other type of provision: (please indicate)	563 (*)	M	2.3967	M		

Source(s): Ministry of Education, University and Research

Known data limitations: (\*) **Public provision for ECEC refers only to children aged 30 months on**

#### 1.2 *Public spending on ECEC services*

##### 1.2.1 *Public spending on public and private ECEC services*

This question aims to clarify whether public expenditure on ECEC services is spent *only* on public ECEC provision *or* on a mixture of public and private provision, which is not currently well understood.

Annex B provides the public expenditure data on childcare and early education currently available in the OECD Family Database (those figures are currently being updated through other OECD official channels). The public expenditure does not include cash allowances or tax expenditure such as tax credits, parental leave, etc.; here, you should include only public expenditure spent on ECEC services.

Please indicate in the table below the split in public expenditure between public and private ECEC services in your country, indicating the year the data is from.

	Early childcare		Pre-primary education		Integrated system	
	Public services	Private services	Public services	Private services	Public services	Private services
Public expenditure (as % of GDP )	<b>m</b>	<b>m</b>				

Source(s): \_\_\_\_\_

Known data limitations: \_\_\_\_\_

### 1.2.2 Public spending on ECEC services at different levels of government

This question aims to clarify funding arrangements between national and sub-national governments. While Annex B provides overall public expenditure data on ECEC services, we do not currently have figures for what is spent by national governments *versus* what is spent at sub-national levels (e.g. regional and/or local).

Please provide the most recent data for public spending for national and sub-national levels of government. Please note that “fiscal transfers” between levels of government should be netted out in order to avoid double-counting. Please also note that the question focuses on direct public spending on ECEC services, excluding cash benefits or tax credits.

Year _____	Early childcare		Pre-primary education		Integrated system	
	Total amount (local currency)	% of GDP	Total amount (local currency)	% of GDP	Total amount (local currency)	% of GDP
National/Federal	<b>No change</b>					
State/Provincial/ Regional	<b>No change</b>					
Local/Municipal	<b>No change</b>					

Source(s): \_\_\_\_\_

Known data limitations: \_\_\_\_\_

### 1.2.3 What is covered by public spending?

This question aims to understand what the public money is specifically spent on. Please indicate the estimated share, as a percentage of total ECEC public spending, for each category in the table below. The total should add up to 100%.

Service category	% of total public expenditure on		
	Early childcare	Pre-primary education	Integrated system
Infrastructure			
Workforce supply (e.g. salaries, recruitment etc.)			
Workforce development (e.g. in-service training, support services for staff, etc.)			
Curriculum and pedagogical materials			
Ancillary services (transport, meals, etc.)			
Research on ECEC			
Others, please specify			
Total	100%	100%	100%

Source(s): Annual financial law (MEF) <http://www.mef.gov.it>

Known data limitations: **It's early for us to give a correct answer since data aren't yet processed. We will provide with them as soon as possible.**

### 1.3 Private spending on ECEC services

This question aims to give a comprehensive picture of private spending relative to public spending, covering both childcare services and early education, which has long been wished for by many countries.

The UOE (UNESCO-UIS/OECD/EUROSTAT) has attempted to answer this question with regard to early education (\* in shaded cells) and is in the process of updating the data (See Annex C).

In order to complement what is already known from the UOE data, please provide in the table below figures on private spending for early childcare (please indicate the year the data is from).

If your country has an integrated system, please provide the figures, which have not been asked by the UOE data collection process.

		Total spent, in local currency		
		Early childcare	Pre-primary education	Integrated system
Private sources	Household expenditure		*	
	Expenditure of other private entities		*	
	All private sources		*	
Private: of which subsidised			*	
Others, please specify				

Source(s): \_\_\_\_\_ **Annual Financial Law** \_\_\_\_\_ (MEF) <http://www.mef.gov.it>

Known data limitations: **Data not yet processed. We will provide with them as soon as possible.** \_\_\_\_\_

#### **1.4 Issues on data collection**

Some network members have expressed their concern that data on ECEC in general are collected based on availability rather than policy needs.

*1.4.1* What are the most critical gaps in national data and international comparisons?

**Due to the Italian split system, there is a huge fragmentation in the services offered by local authorities and it is almost impossible to collect comparable data both at national level and at international levels (for 0-3 aged) due also to the regional division (20 Regions with a sort of legislative federalism in this field, art. 115 of Constitutional Law, “ .....Local Regional Authorities.... have the jurisdictional power, exclusive and concurrent in the field of education...”). Regions can pass their own law on some sectors, one of which is the service offered in ECEC (0-3).**

*1.4.2* Bearing in mind the possible quality limitations of comparative data, what internationally comparable data on financing ECEC would be most relevant for policy making in your country?

**The most relevant data to compare in financing ECEC should investigate on the number of crèches; specific household expenditure; infrastructures; workforce supply and development, as well as curriculum, pedagogical materials and ancillary services.**

*1.4.3* Where quantitative data is not available, what kind of qualitative information – at a national and international level – on financing ECEC would be most useful for policy making in your country?

**Comparative educational projects at international level related to different ages and based on real children needs, which include the aims and the objectives that the same wants to reach.**

*1.4.4* What are the biggest challenges in collecting data on financial aspects of ECEC services in your country (e.g. low policy priority, jurisdictional, lack of resources and capacity, fragmentation of ECEC services, lack of agreed common definitions of ECEC services within a country, etc.)?

**The most relevant challenge in collecting data on financial aspect of ECEC, in the split system, is related to the fragmentation of ECEC services due to the fact that there are 20 Regional laws, 1 region with a Special Statute and 2 provinces with Special Statute (Val d’Aosta, Trento e Bolzano) which have the autonomy in this field. The founding is under a special section of the National Financial Balance and directly addressed to Local Authorities who manage them autonomously through specific local laws for the children aged 0-3. While, for 3-6 aged ones, the services offered is partially regulated by the Ministry of Education.**

**The biggest challenge is the lack of ECEC services all over the country (leopard’s spot) and the low policy priority. The political choices affect female occupation.**

1.4.5. If you have taken some actions to improve data on financial aspects or ECEC in general, please describe your country experience.

**At the moment Italy is trying to reduce the public debt and all the investments have been reduced so the investment of the services in ECEC cannot be increased as in the past years.**

## **Part II. Why invest in ECEC? Research on benefits of ECEC**

This section aims to gather updated information on existing research from network member countries relating to ECEC participation and children's outcomes.

Please provide details of research NOT already included in *Starting Strong II*, which you do not need to duplicate. List relevant references and attach corresponding documents if available. If articles/reports are not in English or French, please provide abstracts in English or French.

2.1 What research has been carried out in your own country on:

- Net benefits to children, parents and society of public and private investment in ECEC
- Net benefits or evaluations of specific ECEC programmes or initiatives

**No recent reports**

2.2 What research has been carried out in your country on the relative benefits of public ECEC investment to increase accessibility (*i.e.* children's enrolment) *versus* increasing quality of services (*e.g.* raising staff qualifications, improving staff/ child ratio, etc.)?

**Italy has no recent reports except on the experimentation of "classi primavera", spring classes – for children aged 30 months which dates back to 2006.**

## **Part III. Financing mechanisms and funding strategies**

This section aims to elicit:

1. information on overall policy contexts and trade-offs between different policy alternatives;
2. where resources on ECEC come from;
3. how the resources are managed; and
4. other policy issues.

### **3.1 Overall policy contexts**

#### **3.1.1 Policy objectives**

*Starting Strong II* identified 5 main policy objectives for public investment in ECEC:

1. Responding to the rise of the service economy and the influx of women into salaried employment;
2. Reconciling work and family responsibilities in a manner more equitable for women;
3. Managing demographic challenges: falling fertility and continuing immigration;
4. Acting against child poverty and educational disadvantage;
5. Early childhood education and care as a public good.

Please indicate which of the above can explain the current policy objectives, underpinning your country's public investment in ECEC. If there has been a shift of policy focus in recent years, please describe how policy thinking has evolved.

**Italian policy in ECEC has evolved in almost all of the 5 points suggested with particular attention to point 3 and slightly less to point 1.**

#### **3.1.2 Political debate – balance between parental leave benefits and childcare services**

Countries often look to find a balance between encouraging parents with young children to stay home to care for their children and encouraging parents, especially mothers, to maintain an attachment to the labour market by providing ECEC services. Policy instruments – which can be used in combination – include:

- Paying parents through "parental leave", "child-rearing leave" with low flat-rate payment, etc.

- Giving universal child/ family allowances;
- Giving targeted child/ family allowances by income level,
- Giving targeted child/ family allowances by work status, etc.

Regarding public investment in childcare services *versus* parental leave benefits, what are the current challenges and trade-offs in your country? Are these underpinned by specific policy objectives?

**Italy grants almost all of the suggested benefits above. Motherhood right is one of them. (Maternity protection). The main concern is to encourage parents to procreate. There are allowances both to mothers and fathers (law n. 53 of 8/03/2000 in order to support both motherhood and fatherhood); allowances by income level, band work status (regulated by T.U. passed with D.P.R. 30 maggio 1955 n. 797 modified by D.L. 13 marzo 1988 n. 69 that introduced the A.N.F. ). Parental leave: mothers can stay home for 5 months (2 before the birth of the baby and 3 after suckling (30/12 1971 n.1204) and parental leave during 0-3 years. In addition there are targeted child allowances by work status (C.C.N.L. National Labour Agreement)**

### 3.2 Main sources of financing ECEC – where do resources come from?

#### 3.2.1 Various sources

This question aims to give a fuller picture of the main sources of financing ECEC services in your country to complement your responses in questions under 1.1.2 and 1.3. Six major sources of financial resources have been identified in past research:

1. governments (See question 3.2.2);
2. parents;
3. for-profit providers,
4. ECEC as business communities;
5. social organisations, and
6. international organisations

Please indicate which of the above is applicable in your country and describe challenges and advantages associated with the current financing mechanism. Feel free to answer separately for the childcare and early education sectors if more appropriate in countries with the “split systems”.

**Governments, parents, for-profit providers, ECEC as business communities, social organisations are the main sources of financing ECEC services for Children aged 0-3. For those aged 3-6 the main source comes from governments, parents, for profit providers and social organisations. Italy is experimenting federalism, so it's difficult to identify the challenges and the advantages.**

#### 3.2.2 Sources from governments

This question aims to identify what kind of public revenue sources are allocated to ECEC services at different levels of governments. Please complete the table below, indicating “x” in the columns applicable in your country.

Types of public finance	Federal/ national	State/ province/ region	Local/ municipal
General tax revenues	x	x	x
Ear-marked tax revenues for ECEC sector		x	x
Earmarked tax revenues for specific ECEC programmes, type of services or categories of expenditure	x	x	x
Transfers from other levels of government as part of general block grants		x	x
Transfers from other levels of government as block grants to ECEC sector		x	x
Transfers from other levels of government earmarked for specific ECEC programmes, type of services or categories of expenditure		x	x

Source(s): Annual State Balance Law

Known data limitations: 0-3 Local municipalities.

### 3.3 *Funding strategy – how to manage financial resources for ECEC*

#### 3.3.1 *Strategies to increase public spending on ECEC*

Has there been an increase in public spending on ECEC services since 2005? If yes, how much increase? What were the driving forces in making a case for increased spending on ECEC? Feel free to answer separately for the childcare and early education sectors if more appropriate in countries with the “split systems”.

Please share your country experience such as:

- where the increased resources came from;
- strategies or research evidence that helped the argument for the increase;
- challenges associated with the increase and policy lessons you have learnt in tackling them;
- key political debates among politicians, general public, and the media of the time;
- how the increased budget was spent (*e.g.* to build more childcare places, increase the number of staff, increase staff salaries, increase participation of low-income families, etc.); etc.

**We will answer to this question as soon as the data are elaborated.**

#### 3.3.2 *Distribution of public resources to the providers (supply-side subsidies)*

Past research categorises supply-side subsidies broadly into two types:

1. government-run and subsidised non-profit private ECEC services; and
2. subsidies to for-profit private providers.

Please fill in the table below with relevant information. Examples are provided in Annex E. Where information is missing, please enter “m”. If your country has the “split system” for childcare and early education sectors, please prepare separate tables; one table for childcare and another for early education.

	Government-run and subsidised non-profit private ECEC services		Subsidies to for-profit private providers		Others (Specify)
Name/ type of scheme	<i>x</i>		<i>x</i>		<i>x</i>
Duration of programme: hours per day, days per week, hours per year	<i>No changes</i>	<i>No changes</i>			
Purpose of subsidies	<i>No changes</i>				
Universal or targeted (if targeted, specify conditions or eligibility)	<i>No changes</i>				
Parents' share ( <i>e.g.</i> %, free, set ceiling, etc.)					
Annual costs of programme per child/family (in local currency, year)					

Source(s): \_\_\_ Annual \_\_\_ State Balance Law \_\_\_

Known data limitations: \_\_\_ missing \_\_\_

### 3.4 *Other policy issues*

*Market mechanisms to widen access to, and ensure quality of, ECEC services*

3.4.1 How are ECEC services regulated by public authorities? Please detail minimum quality standards. How are these statutory quality standards set? Who polices them and how? How is the quality (*e.g.* curriculum, staff qualifications, staff-child ratio, space, etc.) of individual services communicated to parents?

**Missing**

3.4.2 Are the for-profit providers eligible for public funding in your country? If yes, besides the financial incentives, what other incentives do you give to stimulate them to provide more and better ECEC services (*e.g.* regulation or deregulation on the minimum standards)?

**Regulation on the minimum standards**

If your country has any case studies of a provider failure, inspectorate reports, and/or research on low quality of the private ECEC services, please list references and attach relevant documents, if available.

**There have been cases of negative and of low quality services after parents report (both concerning teacher's behaviour and low quality of private ECEC services) registered in inspectorate reports.**

*Financial crisis and ECEC*

3.4.4 Please share your country experience with an increase/ decrease on the budget on ECEC services as a result of, or in response to, the economic crisis. Was there a budget cut on ECEC as a result of the crisis; if yes, how much? Has ECEC been included in the stimulus package; if yes, what was the rationale/ policy thinking behind the decision?

**The rationalization of the school has produced a decrease on budget on services to schools, but isn't yet possible quantify the repartition between primary (6-13) and pre-primary education ( 3-6 years).**