

**Title:** *Improving the Measurement of Government Output in Italy*

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The measurement of government output is included in the theoretical framework of the national accounts evaluation at constant prices. The use of output indicators, instead of input measures, for the non market production that member states of the European Union should not use by 2006, has become a strict requirement. Since the very beginning of ESA95 introduction the Italian National accounts adopted, for the non market sector, measures based on output methods. This had been possible for the two most relevant areas of individual services, education and health. The introduction of further advancements connected to both an enlargement of use of output measures for services produced by the non market sector and the introduction of additional measures to the existing ones had been regarded as a relevant improvement of the whole process. To complete the whole picture of government activity a suitable evaluation of output should not forget the quality issue. This proposal aims to present additional works that are being implemented as far as the improvement of the existing quality measures, the use of more detailed indicators and the enlargement of the adoption of the output indicators for the individual services are concerned. For what concern the quality measures education, stratified by level, is probably the area in which more progresses can be reached. The changes in the institutional settings, due to reform of the university courses/degrees that has taken place in the last period, should be carefully taken into account to avoid misinterpretation of the final outcome. The use of a more detailed indicator for health, based on the DRG classification, should go towards the respect of the EU prescriptions fitting, also in this case, the requirement of quality measures. The analysis of the existing output indicators for the other individual services such as recreational and cultural services and the evaluation of their inclusion in the measurement of government output is the third part of the work. The link with the introduction of chain indices in the Italian National Accounts should complete the entire picture of this proposal.