

New prospects for women working under the Italian family welfare system

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Introduction

The gap in labour participation between men and women have puzzled researchers since several decades, especially since when, in developed countries, women outnumber men in tertiary education. Italy is a country characterized by a very low female labour force participation (FLFP). This is also a feature of other countries in Southern Europe, such as Spain and Greece. However, even inside this group, Italy maintains its last position.

To explain the Italian weakness, it might be useful to refer to Claudia Goldin's theoretical framework (2006). The American economists identifies four phases to explain the increase of women participation in the labour market in U.S. She defined the first three "evolutionary phases", while she labelled the last one "revolutionary". In the first phase, the horizon of female labour involvement was temporally short, as generally women exit the labour market after marriage. In a second phase, women's labour participation increased mainly because of diffusion of office work and increase in school enrolment. Other reinforcing factors were the surge of part-time job and technologies in the household, such as the washing machine and other household appliances. In the third phase, women's participation continued increasing as an effect of the spread of part-time work and, at the level of social norms, the acceptance of women as worker. However, women remained a secondary worker trying to allocate her working time given men's participation in the labour market. In a forth phase, the revolutionary one, more and more women considered investing in the labour market as a long run decision and as part of their identity. In this phase, not only labour participation increased, but also women's number of worked hours. The decision on the allocation working time started to be taken jointly by the two partners, i.e. women were no more the secondary workers. This change concerned women of all level of education, although it is more accentuated among the more educated.

In the next section, while referring to the three factors mentioned by Goldin - the horizon, the identity and the decision making in women's work-, we will illustrate the Italian case. In addition to these factors, we will pay a special attention to the Italian welfare regime inside which women's working decisions are made. We will also take into consideration recent development in family policies as several plans and law schemes have been prepared by the Italian Government in the last years. We will conclude with recommendations concerning future strategies to increase Italian women' labour participation.

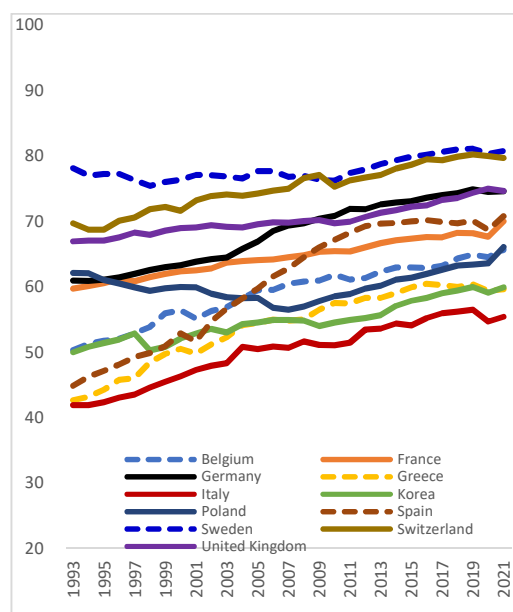
Italian women labour force participation

According to OECD data, in 2021, about 55 percent of Italian women are in the labour force (FLFP) (Figure 1, OECD data consulted on 1st July 2022). As stated above, this is the lowest percentage among developed countries: FLFP is about 80 percent in Sweden and Switzerland,

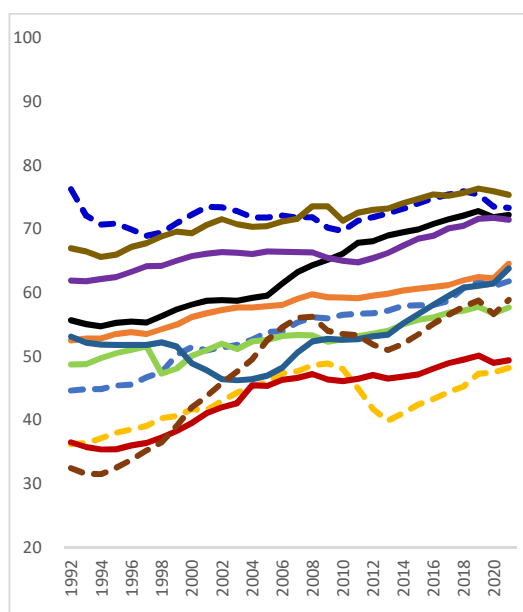
about 70 percent in France, Germany and Spain, and 60 percent in Greece and Korea (Figure 1). As the FLFP indicator includes unemployed women, curves are smooth and are not affected by the economic trends and crises. On the contrary, employment rates show the effect of the great recession on female employment (Figure 2). The indicator still shows that Italian women are less employed than elsewhere, although now Greece presents similar levels of employment than Italy. Italian regions are not homogenous. The highest employment rates are observed in Northern areas, while the lowest levels characterised Southern areas (Figure 3).

In Italy, not only a large share of women are inactive or unemployed, an important part of working women are also second earner. In other terms, following Goldin (2006), women might take decisions concerning their allocation of working time given men's working time. In Italy, women who work less than 30 hours per week (i.e. who work part-time according to the OECD definition) represent 32 percent of all employed women, a percentage higher than most of developed countries. In Europe, only Germany, UK, Switzerland and the Netherlands exhibit higher percentages than in Italy (Figure 4).

Figure 1 - Female labour market participation **Figure 2 – Female employment rates (1992-2021)**
(1992-2021)

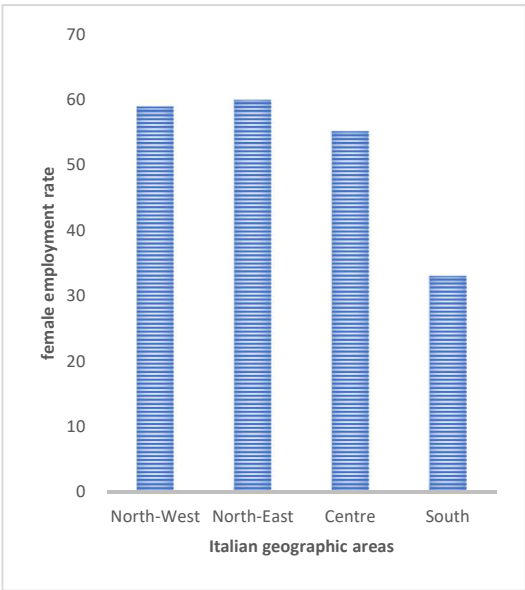


Source : OECD.Stat



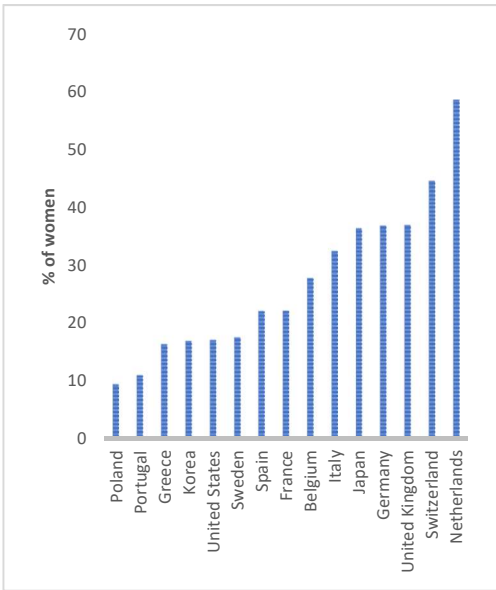
Source : OECD.Stat

Figure 3 – Female employment rates in Italy by geographic area, 2021.



Source: Istat

Figure 4 - Percentage of women working less than 30 hours per week



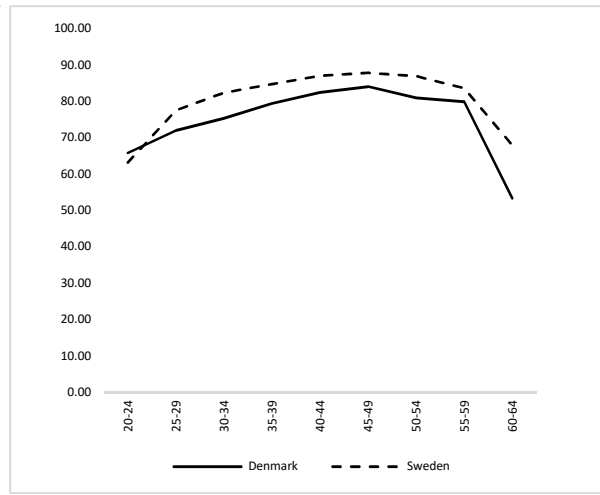
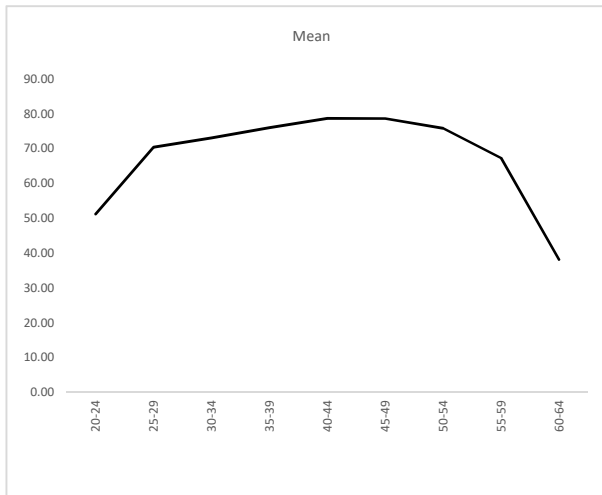
Source : OECD Family Database

Employment rates by age could inform us about the temporal horizon of Italian women’s work experience. Figure 5 shows female employment rate by age in several countries grouped according their welfare regime (Rizzi and Kim, 2021). The low level of employment at young ages, not only at 20-24 years old, but also at 25-29 years old, appears as an Italian specific feature. Employment rates by age mixed the behaviour of different generations; thus, it could be misleading to interpret them as a life course behaviour. However, even when reasoning in terms of generations, we can conclude that young generations in Italy are extremely penalized in the labour market. The consequences are a considerable increase in poverty risk for young adults, late departure from the parental home, and low fertility (Hank, 2007; Mills and Blossfeld, 2005; Dalla Zuanna and Micheli, 2004;).

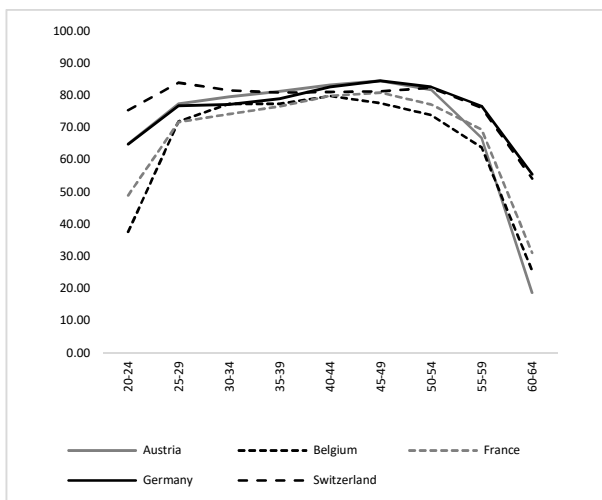
Figure 5 - Female employment rate by country and age group (2018)

Mean of the five groups of countries

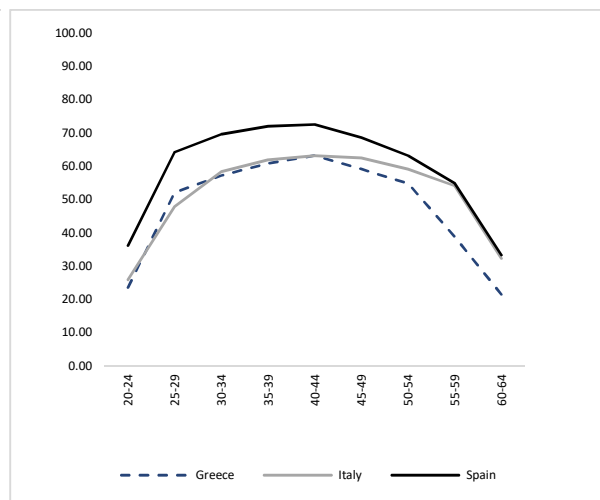
Social democrat countries



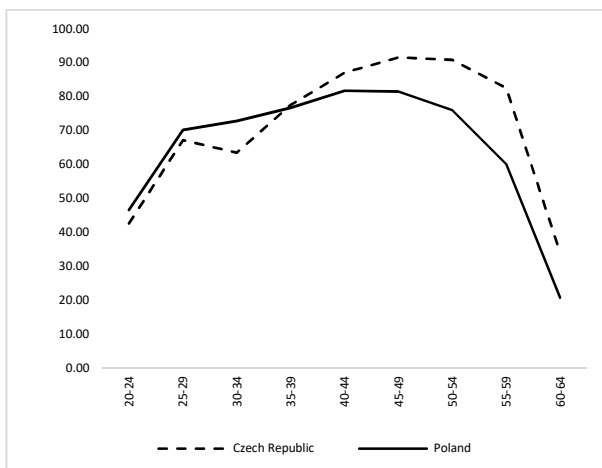
Conservative countries



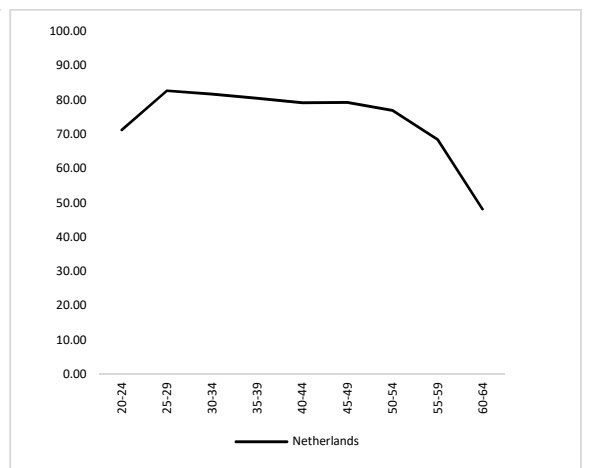
Mediterranean countries



Post-communist countries



The Netherlands



Source: OECD Family Database(2022b), 필자 정리

Gender stereotypes can be taken as a proxy of women's identity, the other factor characterising the gender revolution in the labour market according to Goldin (2006). To this aim, we can consider the gender ideology index built by Lomazzi et al. (2018) summarizing responses on five items: "All in all, family life suffers when the mother has a full-time job"; "Women are less willing than men to make a career for themselves"; "Men should work more in childcare sectors, such as day nurseries"; "Overall, men are less competent than women to perform household tasks"; "A father must put his career ahead of looking after his young child". The authors select working-age men and women and assign scores to the items that range from 1, indicating no support for gender equality, to 4, indicating maximum support. Then a gender ideology index is calculated as a mean of scores. Lomazzi and colleagues find for Italy a gender ideology index of 2.4, one of the lowest values among 28 European countries, together with Hungary, Bulgaria, and Austria (at the opposite, the highest value are observed in Sweden, Denmark, the Netherlands, and France). Such a low score for Italy corresponds to a context where gender equality is poorly supported and, as a consequence, where investing in the labour market is not considered as part of women's identity.

In summary, Italian women are often inactive or unemployed. When they work, they often have a short temporal horizon, a role as secondary earner, and a work identity less strong than elsewhere in Europe. In the next section, we discuss a further element characterising and conditioning FLFP in Italy: the type of welfare regime.

Italian family policies: a familialistic welfare regime

Some of the family policies implemented in Italy are similar to family policies of other European countries. This is the case of maternity and paternity leave. Maternity leave is the period of compulsory interruption of work granted to female workers during pregnancy and after pregnancy. In Italy, the leave can start two months before the pregnancy and finish there months after. Alternatively, the mother can take five months after the delivery. During the leave the mother receives 80 percent of its salary. The Italian paternity leave has a duration of 10 days and it can be taken in the two months preceding the delivery or in the subsequent five months. The remuneration rate is 100 percent.

When considering parental leave in Italy, some substantial differences emerge compared to the most virtuous countries. At present, each Italian parent can take three months of parental leave that cannot be transferred to the other parent (individual right) within the first 6 years of the child. Most importantly, the remuneration rate is only 30 percent of previous salary. The remuneration rate is higher in Sweden, at about 80 percent, and in Germany, at about 70 percent as a consequence of an important reform implemented in 2007.

Formal childcare services represent another weakness of the Italian family policy. In 2018, 26 percent of Italian children aged 0-2 years old are enrolled in childcare services compared to 57 percent in France or in Belgium (OECD Family database consulted on 1st July 2022).

Consequently, the Italian welfare regime is generally defined as "familialistic" and appears as one of the main explanations of the weak women's participation in the labour market. The indicators used by Esping-Andersen (1999) to establish the degree of defamiliarization are the

percentage of the elderly living with adult children, the percentage of unemployed youth living with adult parents, and the number of women's weekly hours of unpaid work. Leitner (2003) also classified Italy as being familialistic, as family policies such as formal childcare for children aged 0-2 years old are limited. Additionally, Leitner (2003) classifies countries' family policies according to their gender dimension. The following indicators were considered: the fact that parental leave is an individual right, thus preventing fathers' rights from being transferred to mothers; the level of the remuneration rate, as fathers are more likely take leave with higher remuneration; and the duration of parental leave, as parental leave of longer than one year can make women's position in the labour market more difficult. According to these criteria, Italy's welfare regime has been classified as "gendered familism".

In the next sections, we discuss new developments of the Italian welfare regime. Some of these measures have already been implemented, others need a final approval, while other measures still need to be planned in more detail.

The Colao's plan and the National Plan of Recovery and Resilience (PNRR)

The recent pandemic, as elsewhere in the world, exacerbated any previous condition of discrimination and increases family poverty. The critical situation was, however, an incentive to elaborate reform plans, including family policy reforms.

On 10th April 2020, the Italian Prime Minister appointed a special task force consisting of experts in social and economic fields to cope with the pandemic emergency (Camussi et al. 2021). The task force's work resulted in a report labelled Colao's plan, named after the head of the task force Vittorio Colao. This included gender equality among the strategic axes, together with Digitization and Green Economy. In particular, four strategies of action were proposed to reduce the gender gap: 1) the reduction of gender stereotypes, mainly through education during primary school; 2) the promotion of women participation in the labour market; 3) the balance between work and family; 4) the support to women who experienced violence.

Under a new Government, a new plan, the National Plan of Recovery and Resilience (PNRR), was approved by the Parliament on 27th April 2021 as a strategy for investments and reforms for the period 2021-2026. The plan was elaborated in the framework of the European Union plan Next Generation EU (NGEU) adopted in reaction to the pandemic crisis, of which Italy is the first beneficiary in absolute value. NGEU provides investments and reforms with several aims: to accelerate the green and digital transition; to improve the training of female and male workers; and to achieve greater gender, territorial and generational equity. In accordance with the EU plan, the six Missions of the Italian PNRR are: 1) digitization, innovation, competitiveness, culture and tourism; 2) green revolution and ecological transition; 3) infrastructure for sustainable mobility; 4) education and research; 5) inclusion and cohesion; and 6) health. Contrary to the Colao's plan, the gender dimension is no more one of the main missions. However, policies for women, together with policies for youth, are mentioned among transversal policies. Low levels of women's employment compared to men and compared to other European countries are mentioned as the main rationale.

As the gender dimension is not a distinctive mission of the PNRR, some of the objectives of

gender parity are not submitted to a detailed monitoring. For example, as a consequence of mission 1, 4 and 5, it is estimated that women's employment will increase of 4 percent points in the period 2024-2026, and 5.5 percentage-points in Southern Italy (the most disadvantaged area and a special target of the plan). However, some other measures, such as the parental leave or the child care services, do not seem to be subject to monitoring and mid-term evaluations.

If gender is a transversal policy in the PNRR, it has again a central role in the National strategy for gender parity (illustrated in the next section).

The National strategy for gender parity

The National strategy for gender parity for the period 2021-2026 follows the European strategy for gender parity elaborated for the period 2020-2025. The overall objective of the Government is to improve the position of Italy in the Gender Equality Index classification published by the European Institute for Gender Equality, placing Italy in 14th position. More specifically, the Government aims to reduce the gap in employment rate between men and women and the gap between women with children and without children. Other objectives are the reduction of the gender gap in earnings in the private sector and the reduction of gender gap in earnings of graduate people.

Some specific measures are proposed, such as the reduction of the cost of labour incurred from the employer, advantages for hiring women and for implementing part-time work (at the same time, the reduction of women's involuntary part-time is another objective of the strategy). Bonus to motivate women to return to work after childbirth are also envisaged. Other proposed measures concern the flexibility of work, especially for parents with young children.

The Government also intends to increase days of paternity leave and to offer a bonus for companies extending the period of paternity leave. Moreover, the Government aims to increase to 50 percent the share of fathers' uptake of paternal leave among parental leave users. In 2019, this percentage is equal to 21 (Casamonti, 2021). To this respect, an increase in the remuneration of parental leaves is envisaged (we remind that, at present, it represents 30 percent of salary paid for 6 months), although no further details on the implementation are provided on this respect. Measures to reduce the pension gap are also envisaged by accounting for parental leaves in the calculation of pension rights.

As to childcare services, the objective is to achieve 50 percent of enrolment rate of children aged 0-2 years old, bringing Italy to the level of countries like Belgium and France. The Italian regional disparities are important. The region Emilia Romagna has already 40 percent of children aged 0-2 years old who are enrolled in formal childcare, while Southern regions are below 15 percent. The aim of the Government is a minimum enrolment rate around 33 percent, the same indicated by the European Union in 2010. Regarding specific measures to attain these objectives, the Government has engaged in monetary transfers to municipalities to create or renovate existing childcare services, as well to companies offering formal childcare. Overall, fiscal advantages are planned for companies offering benefits or services to parents.

According to the Government, the monitoring of these measures will be implemented through statistical indicators to select in collaboration with experts and other institutional

representatives.

The Family act

In the PNRR some “reforms accompanying the plan” are also mentioned. One of these reforms is the Family act. This law has taken effect on 12th May 2022 and represents a normative framework that will be followed by implementing decrees. It contains several measures concerning the unique and universal allowance (article 1); childcare services, preschool and school (article 2); parental leaves (article 3); the family-work balance and measures to promote women’s work (article 4); and youth emancipation (article 5). In a recent interview, the Minister of Equal opportunity and family stresses that the Family Act represents the start of a process that will produce its effects on the medium and long term (Carli, 2022).

The PNRR and the National strategy for gender parity refer and partially overlap with the Family act. However, the philosophy of the Family act is, to some extent, different from the National strategy for gender parity because of its mentioning also the importance to contrast low fertility. In this respect, Italy had an average of 1.24 children per woman in 2020.

The unique and universal family allowance

The unique and universal family allowance is part of the Family act. However, because of the emergency of the pandemic and the increased poverty among the Italian families, it was regulated by an ad hoc law (46/2021). Since the 1st January 2022, Italian families can benefit of a universal allowance (Assegno Unico Universale -AUU). The AUU is defined “universal” as it is paid for every child from 7th month of pregnancy until 21 years old (or disabled children of all ages). For children aged 18 and more, it must be demonstrated that the child is enrolled in education or in training, or actively looking for a job. Although the AUU is paid for all children, the amount changes according the income and typology of the family (characteristics resumed in an indicator labelled “Indicatore Economico Equivalente”, ISEE). The amount is variable, with a maximum of 175 euro and a minimum of 50 euro per month for each child, depending on the ISEE. The amount increases after the second and third child, for mothers less than 21-year-old, and for disabled children. Considering the amount of this financial transfer to families, Italy is now aligned to European countries, such as Belgium, France and Sweden.

The allowance is defined “unique” because it simplifies and includes previously existing measures, such as family allowances, fiscal deduction, and baby bonus. Because of its universality, the measure has a demographic aim and its progressiveness makes it also an instrument against poverty. However, previous literature has shown that cash transfers can have a negative effect on female labour supply (for a synthesis, see Rizzi et al. 2021).

New features of maternity leave, paternity and parental leaves

Recently, the law n.234/2021 and the legislative decree of 22 June 2022 have added new features to the maternity, paternity and parental leaves. The legislative decree transposes the European Union directives 2019/1158 and 2019/1152. However, at the moment I am writing

this article, the decree is a proposition of Government that has still to be approved by the Parliament.

As mentioned above, paternity leave has a duration of 10 days. The policy measure was adopted experimentally and had to be renewed each year. With the law n.234/2021 the instrument remains unchanged, but becomes a structural part of Italian policy. Regarding maternity leave, the legislative decree of 22 June 2022 allows also self-employed women to be remunerated. Concerning parental leave, the legislative decree of 22 June 2022 increases from 6 to 9 months the duration. As before, each parent can take three months that cannot be transferred to the other parent (individual right). In addition, one of the parents can take three additional months. In case of single parent, with the legislative decree, the duration of the leave increases from 10 to 11 months. The parental leave can be taken within the age 12 of the child, instead of age 6.

Conclusions

Italian female labour participation is exceptionally low and it is associated with a very low level of fertility. The two phenomena are the result of traditional gender attitudes and limited family policies. According to Peter McDonald (2000), in countries where women accomplish the majority of family work compared to their male partners and where family policies are poorly developed, women might want to reduce their fertility to be able to remain in the labour market.

The pandemic exacerbated the gender gap, increased poverty among families, and further reduced fertility. To transpose the European recovery plan, Italian Government elaborated the PNRR, an ambitious plan where gender equity and youth are considered transversal dimensions. Moreover, the Government elaborated a National strategy for gender parity, aiming to increase women participation in the labour market, in STEM domains, in manager position, and to increase female entrepreneurship. The Family act partially overlap with the National strategy for gender parity, but with the additional objective to support fertility, together with families at risk of poverty. With the emergency of the pandemic, the first measure of the Family act has been the implementation of the unique and universal family allowance which is paid for each dependent child and whose amount depends of family wealth and composition. Other measures in preparation concern maternity, paternity, and parental leave.

These plans, strategies and measures could represent a revolution for Italian family policies. However, at present, the Italian welfare remain largely familialistic and families, in particular women mainly respond to needs of their members. Following a gender perspective, two measures should be prioritized in the next years: the development of formal childcare services, allowing Italian women to rise their participation in the labour market, and the increase in the remuneration of the parental leave, which will increase the leave uptake, especially among men. A useful reference for the Italian policy could be the 2007 German family policy reform whose aim was to increase formal childcare services and to improve gender parity in care activities. In 2010, the German enrolment rate of the 0-2 was similar to Italy: respectively 27 percent and 23 percent. Eight years later, in 2018, enrolment rate is 38 percent in Germany and 26 percent in Italy. Regarding parental leave, the same German reform increased to 67 percent the

remuneration rate of parental leave, compared to 30 percent in Italy. As a result, German fathers represent 27 percent of users of parental leave compared to 17 percent in Italy (for Italy the latest value refers to 2016 and for Germany to 2015; OECD Family database consulted on 1st July 2022).

Another underdeveloped dimension in the plans and strategies elaborated by the Italian Government is the flexibility of work. Angelici and Profeta (2020) show that smart-working (defined as flexible space and time work) increases the productivity of workers and improves well-being, especially for women. These findings suggest new directions for policy-makers, in addition to the more traditional paths of family policies. Policy-makers should also account for the variety of needs across social groups: some workers, like factory workers or those in sales or services, would benefit of time flexibility more than space flexibility.

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