

The International Corner

Work and Family in Italy

By Concetta Rondinelli and Roberta Zizza



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Roberta Zizza is an economist at the Bank of Italy. She studied at the University of Rome 'La Sapienza' and at the London School of Economics. She is an expert of the Italian labor market. Her main areas of research are: gender and employment studies, with particular reference to the effect of maternity on labor supply, to the gender wage gap and to gender and taxation; underground economy and tax compliance; industrial structure.

Italy has among the lowest female employment rates in the European Union, far from the EU target of 60% by 2010. Over the past two decades, however, more and more Italian women have entered the labor market. The female employment rate (ages 15-64) rose from 35% in 1994 to 47% in 2008. However, due to the recent economic crisis, this upward trend came to a halt, and in 2009 the rate slid back to its 2006 level.

Italian women's involvement in the labor market varies greatly by age and geographical area. In 2008, about 60% of women aged 25-54 were employed, but the rate was lower than 25% for younger and older workers. Women's employment rate was 31% in the South and 56% in the Centre-North of the country, compared to 61% and 75% for males.

Italy also lags behind other European countries in fertility: at the beginning of the 1990s, it experienced "lowest-low fertility levels" (Billari & Kohler, 2004). In 1995 the total fertility rate fell to an all-time low of 1.18, gradually increasing to 1.4 in 2008 due to higher fertility rates among the immigrant population.

There are great differences in the onset of childbearing. Women with higher earnings tend to delay childbirth, as they spend more time in school and in the labor market before having a first child (in 2008, the mean age at first birth was 31). By the age of 40, however, higher-earning women have similar fertility rates as lower-earning women (Rondinelli, Aassve & Billari, 2006).

What contributes to the low numbers of women in the labor market? Del Boca, Locatelli & Pasqua (2000); Bratti, Del Bono & Vuri (2005); and Casadio, Lo Conte & Neri (2008) show a negative association between motherhood and female employment around childbirth. Rondinelli & Zizza (2010) find that children do not have a causal effect on female labor supply; differentiated impacts emerge depending the age of the child, as well as some signs of a negative effect on the quality of the job and on career advancement.

A gender wage gap emerges in Italy, ranging between 16% and 26% (Rustichelli, 2007; Olivetti & Petrongolo, 2008). The gap is higher in the private sector and for high-skill jobs; it doubles for women with preschool-age children. This wage penalty is only partially due to differences in hours worked and to the fact that women tend to be in different jobs or occupations to those of men (horizontal segregation) and within a particular occupation hold more frequently the lower status and lower rewarded positions (vertical segregation; EuroFound, 2007); it persists while controlling for the characteristics of the worker, the job, and the employer.

Many factors can explain the low employment rates and wage penalty for Italian women. Italian women continue to be primarily responsible for child care and other non-market services. In 2008-2009, 76% of family work was the responsibility of the woman; rates are lower in the North and for higher-educated wives (Istat, 2010). In advanced economies, men and women tend to work the same total number of hours for both market and non-market work. Italy is an exception, as women work about 75 minutes per day more than their partners, devoting much more time to home duties than in other countries (Burda, Hamermesh & Weil, 2007). These cultural factors are relevant in shaping household allocation of the labor supply.

Availability of child care is scarce, especially in the South of Italy. In 2008, less than 13% of Italian children 3 years old or younger attended formal child care (Istat, 2010); however, the number of children of the same age using informal child care is one of the highest in Europe (Del Boca & Pasqua, 2010). Zollino (2008) found that the perceived quality of the available care services might shape this utilization, citing the supply side as a possible driver for higher utilization of informal child care.

There is a mothers' benefit of 5 months' compulsory leave paid at a minimum of 80% of salary. Both parents can take leaves up to 6 months in total before their child's eighth birthday. The leave is paid at 30% of salary only if the child is younger than 3 years old (Law 53/2000). Against the background of a huge gender wage gap and of the strong wage penalty implied by the non-statutory leave, very few fathers apply for it.

Working time flexibility may be a possible solution for a better balance of work and family life. Interestingly, the percentage of part-time contracts among female employees reached about 28% in 2009 (less than 5% for men); Italy stands below most Western and Nordic countries, also due to the lower diffusion of other flexible working time arrangements, such as flexi-time (Plantenga & Remery, 2010). Though part-time contracts can be rated positively as they may help with work-life balance, it is important to consider if part-time work might represent another form of segregation and negative consequences for the career prospects of Italian women.

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