

**Supplementary information regarding policies to promote gender  
equality and employment : Italy**

**Paola Villa  
Dipartimento di Economia,  
Università degli Studi di Trento**

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# **GENDER EQUALITY AND THE COUNCIL’S RECOMMENDATIONS TO ITALY**

## **Table of Contents:**

<b>1. Recent developments .....</b>	<b>3</b>
<b>2. The role of Equality advisors in Italy .....</b>	<b>6</b>
<b>3. The “White Paper” and the equal opportunity issues.....</b>	<b>10</b>
<b>References .....</b>	<b>14</b>

## GENDER EQUALITY AND THE COUNCIL'S RECOMMENDATIONS TO ITALY

### 1. Recent developments

As pointed out by the Commission of the European Communities (*Joint Employment Report 2001a*, draft, pp. 63), significant improvements in labour market outcomes were registered in 2000. Significantly, female employment rate grew at a faster rate than male employment (3.05% and 1.20%, respectively); consequently, a reduction in the gender gap of the employment rates was recorded. These trends continued in the following months, but progressively slowing down.

If one takes the annual average data (table 1, section a), the employment performance registered in 2001 (for total employment and for female employment) is better than that registered in 2000. Nevertheless, if one takes the data on employment registered on the January quarterly survey<sup>1</sup> (table 1, section b) - that is comparing employment in January of one year with that of the previous year - the picture is slightly different.

**TABLE 1 – Total employment in Italy, 1998-2002**

	no. ('000)			absolute change ('000)			% change		
	MF	M	F	MF	M	F	MF	M	F
<b>a) annual average data</b>									
1998	20435	13090	7345	-	-	-	-	-	-
1999	20692	13158	7534	+257	+68	+189	1.26	0.52	2.57
2000	21080	13316	7764	+388	+158	+230	1.88	1.20	3.05
2001	21514	13455	8059	+434	+139	+295	2.06	1.04	3.80
<b>b) January quarterly survey data (31<sup>st</sup> of January)</b>									
Jan. 2000	20617	13083	7534	-	-	-	-	-	-
Jan. 2001	21273	13353	7920	+656	+270	+386	3.18	2.06	5.12
Jan. 2002	21644	13510	8134	+371	+157	+214	1.74	1.18	2.70

Source: ISTAT, Labour Force Survey

In the twelve months between January 2000 and January 2001 (instead of the average data for 2000), the changes recorded both in total employment (+656 thousands) and in female employment (+386 thousands) appear really extraordinary for the Italian experience. The employment growth continued afterwards (+371 thousands and +214 thousands, respectively), but it started progressively to slow down.

<sup>1</sup> The survey takes place each year on the 31<sup>st</sup> of January.

The percentage change in employment registered in the first twelve months (January 2000 – January 2001) is significantly higher with respect to the following twelve months (January 2001–January 2002): 3.18 and 1.74 respectively, for total employment; 5.12 and 2.70 respectively, for female employment.

This outcome is due to the fact (pointed out in the last year report, Villa 2001) that the high employment growth took place in between the end of 2000 and the very beginning of 2001. Afterwards, employment growth started to slow down.

The preliminary data of the labour force survey (by ISTAT) of January 2002 have just been made available. It is therefore possible to make some comments on the general trends.

- ? The high employment growth started in the second half of 2000 did not halt in 2001, but it slowed down. This is shown by the contraction in the percentage change in employment for the two periods considered (January 2000–January 2001, and January 2001–January 2002): the expansion contracted from 3.18 to 1.74 for total employment, and from 5.12 to 2.7 for female employment (table 1, section b).
- ? As previously pointed out, this slowing down is not captured by the annual average data (in fact, the average employment growth for 2001 is greater than that recorded for 2000: 2.06% and 1.88%, respectively, for total employment; and 3.80% and 3.05% for female employment; table 1, section a). The good employment growth recorded in 2001 (on average) has to be interpreted as the outcome of the positive performance started in 2000 and continued in the first months of 2001.

**Table 2 – Total employment ('000) in Italy, January 1996-2002**

	Jan. 1996	Jan. 2000	Jan. 2001	Jan. 2002	? 1996-00	?% change	? 2000-02	?% change
<b>Employment (MF)</b>	19845	20614	21273	21644	769	0,97	1030	5.00
<i>of which:</i>								
<b>Employees</b>	14077	14847	15345	15696	770	1,37	849	5.71
<i>Permanent FT empl.</i>	12621	12635	13005	13307	14	0,03	672	5.31
<i>Atypical work</i>	1456	2212	2340	2389	756	12,98	177	8.00
<b>Self employed</b>	5768	5767	5928	5949	-1	0,00	182	3.16
<b>Female Employment</b>								
<i>no.</i>	6964	7534	7920	8134	570	2,05	600	7.96
<i>(% share)</i>	(35.1)	(36.5)	(37.2)	(37.6)	(74.1)		(58.2)	
<b>U rate (MF)</b>	11,6	11,1	9,9	9,1				

Source: Istat, Rilevazione Trimestrale delle Forze di Lavoro.

- ? The job recovery started in 2000 appears to be linked to jobs of better quality (see table 2). This is evident from the comparison between the years of low growth (1996-2000) and the years of high growth (2000-2002). In the years of low GDP growth, almost all of net employment growth among employees was “atypical” (+756 thousands, out of +770 thousands). By contrast, over the last two year (characterised by high GDP growth), standard employment (full time, permanent) outperformed that of “atypical” employment (+849 thousands and 177 thousands, respectively). Thus, over the last twenty-four months, over four fifth of the employment growth was due to the expansion in standard employment (employees in full time, permanent jobs).
- ? In particular, for employees, the absolute increase in permanent full time employment registered over the last two years (January 2000–January 2002) was almost four times larger than that in “atypical” employment (+ 672 thousands and +177 thousands, respectively).
- ? The trend towards standard employment, registered in 2000, continued in 2001, despite the slowing down in the employment growth rate (table 3). Over the last twelve months, total employment increased by 1.7%; temporary employment registered a significant contraction (-2.2%); part-time employment increased, but less than average (+1.5%); while self-employment was stagnant (+0.4). Thus, the good performance recorded in female employment (+2.7%) was due, to a large extent, to the expansion in standard employment.
- ? The unemployment rate continued to decrease (from 9.9% in January 2001, to 9.1% in January 2002). The decrease in unemployment was larger for women with respect to men, thus a reduction in the unemployment gender gap was recorded.

**TABLE 3 – Trends in employment (% change). Italy, 1998-2002**

	MF	F	Employees (MF)	Self-employed (MF)	Part-time (MF)	Temporary (MF)
<b>a) annual average data</b>						
<b>1998</b>	1.1	2.1	1.2	0.9	8.7	10.8
<b>1999</b>	1.3	2.6	1.9	-0.3	9.4	12.9
<b>2000</b>	1.9	3.1	2.1	1.4	8.8	8.5
<b>2001</b>	2.1	3.8	2.6	0.8	2.1	-1.0
<b>b) January quartely survey data (31<sup>st</sup> of January)</b>						
<b>Jan. 2000</b>	1.1	1.9	2.0	-1.1	5.0	8.1
<b>Jan. 2001</b>	3.2	5.1	3.4	2.7	8.6	2.8
<b>Jan. 2002</b>	1.7	2.7	2.3	0.4	1.5	-2.2

Source: ISTAT, Labour Force Survey

- ? Women were the main beneficiaries of employment created in the last two years, confirming the trend recorded in 1998 and 1999. Female employment accounts for 58.2% of the total net employment increase (January 2000 to January 2002, see table 2).
- ? The female employment rate shows a significant increase, confirming the positive trend recorded at the end of the 1990s (after stagnating for several years, in the '90s).

To conclude, the two periods are quite opposite in terms of employment performance (see table 2): on the one hand, the years from 1996 to 2000 are characterised by low employment growth and a tendency towards atypical employment; on the other hand, the years from 2000 to 2002 are characterised by high employment growth and a tendency towards standard employment. The comparison between the two periods seems to support the hypothesis that the improvements in labour market outcomes registered in the recent years were favoured more by the fostering of GDP growth (through economic policies) than by labour market policies (such as the extension of flexible work arrangements). In particular, the good employment performance for women in Italy was not the outcome of any gender specific policy. The increase in the female employment rate (which increased at a faster rate than the male component) was favoured, first of all, by the GDP growth and the structural changes taking place in the economic system (i.e. the expansion of services); the extension of flexible work arrangements contributed to this improvement, but only to a smaller scale.

## **2. The role of Equality advisors in Italy**

Legislative decree no. 196 of 23 May 2000 has introduced significant changes as regards so-called *Equality Advisors*, boosting their functions, allocating an annual fund of ITL 20 billion to their activities, and creating a national network coordinated by a *National Equality Advisor* (Consigliera Nazionale di Parità). The decree has also reformed the procedures for granting public funding for positive actions plans in the workplace and has extended funding to trade unions and other associations.

In Italy, the figure of the Equality Advisor (Consigliere/a di Parità) – who operates at the national, regional and provincial level – has for some time provided important support for legislation on gender equal opportunities in the workplace.

Law no. 125/1991 (which was passed eleven years ago, on the 9<sup>th</sup> of April 1991) gave Equality advisors two main functions: promoting female employment, and enforcing sex equality law in the workplace. However, the law provided entirely inadequate economic resources for such activities, which effectively nullified those of its provisions which empowered equal opportunities advisors - to act in instances of collective discriminations - and also on behalf of individual plaintiffs and to intervene in any gender equality case.

A parliamentary inquiry conducted by the Italian Senate in 1995 showed that although Italian legislation was among the most advanced in Europe in its use of innovative legal techniques to combat discrimination, and in its provision of measures promoting positive actions, it was also entirely unsatisfactory in terms of its concrete effects, due to the inefficiency of the law's implementation and to the lack of resources allocated to equal opportunities bodies. Partly as a result of this inquiry, article 47 of law no. 144 of 17 May 1999 mandated the Government to issue one or more legislative decrees intended to reform law n. 125/1991, by redefining and extending the functions and resources of Equality-advisors, and by improving the efficiency of positive actions.

Thus, with decree no. 196/2000 the Government has implemented its mandate, while tying reform of law no. 125/1991 to the recent decentralisation of labour policies to the regional and provincial governments.

A distinctive feature of the decree is that it uses both the feminine term "consigliera" and the male one "consigliere" for "advisor". It does so not just to acknowledge that in the past this demanding role has mainly been performed by women, but also to diversify the legal language so that it takes account of the gender of those subject to regulation – which is especially apposite in a legal text on equal opportunities between men and women. The intent to promote equal opportunities between men and women in positions of responsibility is quite evident in the provision which states that if a male and female in possession of the same qualifications apply for being appointed as Equality advisor, precedence should be given to the woman. The decree refers on this point to the European Court of Justice case law on preferential treatment for women (Kalanke and Marshall judgements) and seeks to ensure that enhancement of the role of the Equality advisor does not paradoxically end up with its "masculinisation".

The first articles of the decree redefine the procedures for appointment of Equality advisors and their substitutes (defining the twofold competence in this regard of the local authorities and the Minister of labour and the Minister of equal opportunities). They state the qualifications and experience required for the post and define its duration (four years), while also specifying the Equality advisor's promotional and monitoring duties. Article 3 gives clearer definition to the role of Equality advisor in relation to active labour policies and protection against discrimination. It sets out a series of activities, ranging from diagnosis of gender discrimination in the labour market and detection of breaches of equal opportunities legislation, to identification of individual or collective remedies to discrimination and of measures to promote equal opportunities. To this end, the decree provides that Equality advisors should promote positive action projects (also using EU, national and local resources allocated for this purpose) and assess the results of projects financed with public funding under law no. 125/1991. They should also ensure that local development policies comply with EU and national guidelines on equal opportunities, and support active labour policies in favour of women. They are expected to collaborate with public and private organisations operating in the labour market, as well as with local labour departments and equal opportunities bodies, and to promote the knowledge and exchange of best practices.

This is not a definitive list of activities, given that the decree further stipulates that Equality advisors should take “every viable initiative to implement the principle of non-discrimination and equal treatment”. The decree also states the Equality advisors should sit on the national, regional and provincial Tripartite Committees for the concertation of labour policies, as well as on the supervisory committees envisaged by the European regulations on structural funds. They should collaborate with the regional bodies providing technical assistance for labour policies and the monitoring of the local labour market. Equally important is collaboration with the regional and provincial labour offices (the local branches of the ministry of labour), with which equal opportunities advisors should jointly devise efficacious procedures for the investigation of complaints of violation of gender equality law.

As regards the protection against discrimination, the decree rationalises the double-track mechanism of enforcement, based both on individual and collective suit. The legislator favours conciliation, but also strengthens the provisions which empower the judge to

order a positive action plan on the part of the employer where the existence of a collective discrimination is ascertained in a case-brought by the Equality advisor. In this regard, the decree clarifies the judge's powers in designing which kind of positive action plan may be necessary to provide remedies to systemic discrimination and introduces economic sanctions for enforcement. The decree also provides a special procedure which allows the Equality advisors to seek for immediate relief from the court which replicate the provisions on individual discrimination claims set out by article 15 of law no. 903/1977. Of the decree's substantive provisions, of particular importance is the new wording of the provision which prohibits every type of direct and indirect discrimination, which now clarifies that the prohibition applies regardless of the quality or legal nature of the offender (individual employers, public and private companies, institutions, recruitment agencies and so on) (article 8).

No less important are the decree's instrumental provisions, which should eliminate the structural weakness that previously impeded the action of the Equality advisors. The decree establishes that they are entitled to an annual amount of leave paid out of public funds, and of unpaid leave for which they receive an allowance. The premises, equipment and personnel used by the Equality advisors will be provided by the public institutions at which their offices are located, namely the Ministry of Labour for the national advisor, and the regional and provincial Councils for the regional and provincial advisors. The advisor's activities will be financed out of a special fund, which can also be used to cover the expenses of the legal suits. Finally, in order to increase the efficacy of action by Equality advisors, and to encourage the exchange of information and experience, a national network coordinated by the national advisor will be created.

On reading the decree, one gains the impression that - although appointed by political actors - the Equality advisors have in fact most of the features displayed by independent agencies vested by the function of guaranteeing and enforcing fundamental rights and freedoms, or ensuring the correct functioning of the market. At the same time, they are viewed by the legislator as an integral part of the institutional and social relations governing the labour market, in which the "discourse" of equal opportunities is intended to become an integral part of the "language" spoken by the actors of the labour policies.

The Equality advisors are required to undertake complex interaction – which may involve collaboration, negotiation or outright conflict – with each of these actors in

order to protect collective and individual interests which find insufficient expression in decision-making processes because of deep-rooted discrimination and the under-representation of women. This is obviously a difficult and delicate function, which requires experience and specific expertise as well as a large amount of commitment to one's work. Of crucial importance, therefore, is to select those persons best suited to the position.

Two years have elapsed since the approval of this important reform, but its actual implementation is still lacking: the procedures for the appointment of the new Equality advisors are still in progress (up to now, about 70% have been appointed); the special fund for the activity of the advisors has not yet been made available; the agreement (*Convenzione quadro*) that should regulate the relationships between the Ministry of Labour, the regional and provincial Councils and the regional and provincial advisors has been signed only few months ago; finally, the national network of Equality advisors has not yet started to meet (the first meeting is due on the 7<sup>th</sup> of May 2002).

It would be very important to make up for lost time in order to allow the reform to start to produce the expected results. The European Commission could play, in this respect, an important role by stimulating the Italian Government to go ahead with the implementation of the reform, therefore indirectly favouring the activity of the Equality advisors which has been appointed.

### **3. The “White Paper” and the equal opportunity issues**

The new Government (in office since June 2001) presented to the Commission an additional document to the Italian NAP with the description of the future labour market policy. According to this document, the Italian contribution to the Lisbon target is set at 58.5% by 2005 and 61.3% by 2001 (CEC 2001a, p. 63).

The future labour market policy is outlined in a document presented by the Minister of Labour (Mr. Maroni), entitled *‘Libro Bianco sul Mercato del Lavoro in Italia’* (White Paper on the Italian Labour Market), issued last October. It has to be pointed out that Professor Marco Biagi was the coordinator of the team that wrote down the document. As is well known, in virtue of his own position as adviser of the current Minister of labour, Professor Biagi was killed in a terrorist attack on the 19<sup>th</sup> of March 2002.

The future strategy of the new Government has been described as aiming at three main goals: modernising the labour market regulatory framework, liberalising the Employment Services and combating undeclared work.

The *Libro Bianco* is a long and complex document. It is not therefore possible to make a critical assessment of the whole document in a few pages. I will simply make some comments in order to evaluate the proposals there included from the equal opportunities perspective.

To start with, it is useful to recall that the 2000 Council evaluation on the implementation of Italy's employment policies was summarised in five recommendations. Two, out of five recommendations, were concerned with gender issues<sup>2</sup>:

CR 1: "... developing a comprehensive strategy for equal opportunities and continuing gender mainstreaming efforts"

CR 4: "Pursue active labour market policies and implement specific measures to narrow the wide gender gaps in employment and unemployment, with the aim of providing women with more and better job opportunities"

The comments made by the Commission with respect to equal opportunity issues for the Italian NAP 2001 were not very positive. Among the many criticism raised by the Commission, with respect to the assessment of the implementation of the 2001 employment guidelines (CEC 2001b, p. 166-171), the following remarks were made regarding the equal opportunities pillar:

"Improvements in female employment rates are especially due to the increasing use of part-time and flexible contracts. Some measures present in the NAP 2000 were reconfirmed. With the PES reform completed, women should be given preferential access to active measures, while, within the new ESF programming period, 10% of the resources are reserved for equal opportunities measures. Overall, in the light of the Lisbon targets, these measures continue to appear marginal. Major problems are not addressed by detailed and quantitatively specified policies, as in the case of targets for the availability of care services for children and other dependants. A national plan for female employment already promised for 2000 was again announced for mid 2001 but stronger commitment is required for the effective design and implementation of such a plan." (CEC 2001b, p. 169).

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<sup>2</sup> See Council (2001).

The *Libro Bianco* starts with a detailed assessment of the Italian labour market critical issues<sup>3</sup>. A lot of emphasis is acknowledged to the comments made by the Commission, including the remarks concerning equal opportunities. In particular, it is clearly stated that the actions taken in the past to promote equal opportunities have produced only marginal improvements; therefore it is urgent to move from ‘spot actions’ towards a ‘more comprehensive strategy’, primarily aiming to reducing existing gender gaps (*Libro Bianco*, p. 1). Notwithstanding this strong statement, there are no traces of such general plan in the document. The following remarks can be made.

1. Six experts, all male, contributed to produce the *Libro Bianco*. Not a single woman (nor an expert on equal opportunities issues) was invited to play a role.
2. The low female employment rate is mentioned among the four critical areas contributing to the low employment rate, registered in Italy (together with the low employment rate in the South, the delayed inflow of young people in employment, and the early exit of people aged over 55 from the labour force)<sup>4</sup>. Nevertheless, no specific measure explicitly focused on this target group is mentioned, neither in Part One (devoted to the analysis) nor in Part Two (devoted to the proposals).
3. According to the *Libro Bianco* (p. 76 and 78), the policy mix for promoting the female employment rate should be based on: an appropriate income taxation system (that does not disincentive second earners), the availability of care services to families, the expansion of flexible work arrangements (in particular, part-time), and the willingness of firms to develop family-friendly policies. Out of these four policy issues, the only one on which some proposals are made in the area of flexible work arrangements (pp. 64-75).
4. In the whole document, not a single action specifically targeted at increasing the employment rate of women is mentioned. It is however stated, explicitly, that the further liberalisation of the regulation of part-time work (discussed, in some detail in the document, pp. 66-68) will favour an expansion in female employment (as long as it will favour the reconciliation between paid work and family work), by expanding the supply of labour (p. 76). It has to be pointed out that this perspective

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<sup>3</sup> See Ministero del Lavoro (2001, pp. 1-25) (“Parte Prima. L’analisi”).

is misleading: the major problem for Italy, with respect to the low female employment rate, is the extremely low employment rate of southern women due to the lack of decent job opportunities (i.e. very high female unemployment rate in the South).

5. The need for more attention to the provision of care services for children and other dependants is mentioned in the analysis (Part One, p. 10). But no specific action is planned for (see Part Two, p. 77-78).
6. Gender mainstreaming is mentioned as an important horizontal guideline. It is stated that Italy lacks of a gender mainstreaming approach<sup>5</sup>, but the whole document is written without paying attention to this critical issues. In fact, gender issues are strictly confined in the section devoted to equal opportunities (Section II.4, pp. 76-79). Thus, gender mainstreaming efforts are still missing. Therefore, a fully developed strategy for equal opportunities is lacking.
7. There is no mention, in the whole *Libro Bianco*, of the announced “National Plan for Female Employment” (promised by the previous Government for 2000, and again announced for mid 2001).

To sum up, this general comment by the Commission (made with respect to the Italian NAP 2001, prepared by the previous Government) still holds:

“The actions to promote female employment can be considered as only marginal improvements. The attention which continued to be paid to flexible labour arrangements is insufficient to reduce gender gaps and to converge towards the Lisbon female employment rate targets” (CEC 2001b, p. 170)

That is, the efforts made by the Berlusconi’s Government to outline a strategy to for tackling labour market problems still lacks of a strategy to promote female employment.

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<sup>4</sup> See Ministero del Lavoro (2001, p. 1 and p. 10).

<sup>5</sup> “Modernizzare le tecniche regolatorie del mercato del lavoro significa anche ripensare tutto l’attuale quadro istituzionale in un’ottica di promozione delle pari opportunità. ... nel nostro ordinamento manca un approccio basato sull’integrazione di genere nell’attuazione delle linee guida sull’occupazione.” (p.77).

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