Gender Aspects of the Financial Crisis and Economic Downturn on Welfare Systems: evidences from Italy

by

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1. Summary

The analysis of the gender aspects of the financial crisis and economic downturn on the Italian welfare system must necessarily start from the recognition that, first, "the crisis" has assumed distinctive traits in Italy - also different from other Mediterranean countries like Greece, Portugal and Spain. Three different crises have actually emerged as well as interacted in the last five years: Italy has not simply been affected by the financial-economic crisis which broke out in 2008; the sovereign debt crisis and subsequent austerity measures have had a major impact on an already stagnating economy and these developments have also interacted with some critical features of domestic politics leading to a major politico-institutional crisis. Second, the three crises have impacted on a very peculiar configuration of welfare arrangements. The Italian welfare regime has long been characterized by an unbalanced public welfare state combined with the role of the family and especially women as welfare providers rather than welfare recipients. Therefore, in order to understand the impacts on women of measures adopted since the economic crisis, the particular characteristics of Italy's welfare model and its labour market must be briefly first reviewed to set the context.

Accordingly, after presenting the Italian welfare configuration as an archetypical Southern European model of welfare in section 2, the following section (3) characterises the (multi-dimensional) crisis which affected the country in recent years by placing it in a historical context. In section 4 the social policy responses to "the crisis" are described in details. The focus will be mainly posed on the fields of pensions and social services, not only because they were mostly affected by anti-crisis interventions, but also in light of the unbalanced nature of the Italian welfare state and its gender implications (see below section 2). Also changes in the health care sector and in labour market policies will be briefly presented, though they only impact on women indirectly. In section 5 the social policy measures adopted in 2008-12 will be then analysed in order to evaluate their impact on the female population. The overarching question here will be if- and in case to what extent - social policy responses to the crisis have actually remodelled the Italian welfare state in order to favour women that have traditionally represented a relatively under-protected group in the national welfare regime. In addition we will briefly elaborate on how to make the national social protection system more effective in supporting women thus promoting both social cohesion and employment/economic recovery and growth. Finally, section 6 addresses the politics of "women friendly" welfare state reform in Italy by pointing at the relevance of the relevance of the gender issue on the political agenda

The main conclusion is that the crisis(es) has(have) induced Italian policy makers to adopt social policy measures that have aggravated the already critical situation of Italian women with regard to labour market participation, family burden and, last but not least, reproductive behaviours. On the one hand, this is certainly the consequence of the acuteness of the crises in Italy, especially after 2010, and the consequent limited room of manoeuvre for national policy makers. On the other hand, this is also the result of a peculiar mismatch between the broad recognition of the centrality of the

gender issue among the main political and social actors in Italy and the actual policy choices made in the last 2-3 years.

2. Institutional and policy background: a Southern European model of welfare

The comparative literature on welfare models generally includes Italy in the Southern European cluster – together with Greece, Portugal and Spain – sometimes also known as a "Mediterranean" or "familialistic" welfare regime (Saraceno 1994). The "*Southern model of welfare*" is characterised in four key ways: i) by its institutional architecture at the "macro" level; ii) the unbalanced allocation of resources among the various welfare sectors (functional dimension); iii) the unbalanced distribution of resources among the different social groups (distributive dimension) and iv) the role of non-institutional actors in welfare provision. (Ferrera, 1996) [1].

In terms of its institutional architecture, the Italian system of social protection is a *hybrid* presenting contribution-based income maintenance schemes (against the risks of old age, unemployment, disability) combined with a universal national health care system. Following a period of welfare state expansion (roughly 1950s1970s) the Italian welfare state has presented a "double distortion" in terms of how resources are allocated to different welfare functions (*functional distortion*) and between different social groups (*distributive distortion*) (Ferrera 2006; Jessoula 2010; Ferrera, Fargion, Jessoula 2012). In terms of functional distortion, the Italian pension system attracted roughly 60% of total resources dedicated to social protection in 2000-08 (see below table 1) and roughly 14-15% of Gdp in 1995-2008 (ISTAT 2011b); by contrast, limited resources were devoted to social assistance (4.5% of Gdp, of which only 0.3% for social inclusion), employment policies (1.8%) and especially social services – i.e. in kind benefits for children, care services for dependent elderly and disabled people, etc. attracting about 0.5% of Gdp in 1995 in contrast with a EU15 average slightly above 2%. In terms of *distributive* distortion, the level of social security has traditionally varied greatly (letting aside the universalistic health-care sector) between the employed population – and especially the "male breadwinner" - and those with weak labour market attachment – primarily women/mothers, young and elderly - as well as across the various occupational categories.
Also, the underdevelopment of the welfare sectors outlined above has resulted in – and to a certain extent also exploited - informal family networks playing a major role as welfare providers: the family has been decisive in in providing care services as well as in compensating – via intra-family transfer of resources - the inadequacy of both passive (unemployment benefits) and active labour market policies for the unemployed.

Both the distributive and the functional distortions have clear *gender implications*: the shortfall in state care services directly impacts on women who have always performed

[1] The low "stateness" and the diffusion of particularistic-clientelistic practices also characterize the Southern model of welfare according to Ferrera (1996).

fundamental child- and elderly- "care" functions (Saraceno 1994, Naldini 2003). In past decades, this welfare arrangement relied more or less comfortably on a sharp gender division of labour combined with employment policy rules directed to guarantee a high level of job protection for "male breadwinners", but in the last three decades it has turned to be rather dysfunctional and figures tell of the emergence of a dramatic "*vicious circle*" has emerged (Ferrera 2008): limited care services (childcare coverage was 11.7% in 2007) and inadequate family and work-life reconciliation policies, combined with low female employment rates (49.9% in Italy vs 62.1% in the EU27, age bracket 20-64) as well as dramatically low fertility rates (1.4 in 2011 down from 2.4 in 1971). Actually, the unavailability of affordable care services is a major obstacle for female labour market participation while the commitment to wage moderation and the spread of low-paid "atypical" jobs since the mid-1990s[2] has limited households' income thus significantly altering "normal" reproductive behaviours (Del Boca and Rosina 2009, Madama 2010). In other words, underdeveloped care services combined with long lasting wage compression both maintain women on the edge of the labour market and single-earners households find it very difficult to cope with child rearing while reconciling work and family needs.

"The Italian welfare system is extremely unbalanced and penalizing for women. It is still centred on the protection of the "male breadwinner" – mainly through old age pensions – to the detriment of women and children (especially in the prime age). This model assumes that single-earner household may maintain an adequate standard of living, but this is no more the case in Italy. The welfare system should therefore support the transition towards a dual-earner family model, but family policies are still inadequate in Italy" (Interview n.3, Author's translation[3])

Moreover, the increase of female participation in the labour market since the 1990s (table 2 below), albeit slow, has modified the intra-family provision of care. While in the past also young and mostly inactive women were responsible for child rearing and elderly caring, in the last three decades retired women have become crucial figures in caring for grandchildren, as confirmed by one of the expert interview *"in Italy the provision of informal care services extensively relies on elderly people" (Interview n.3)* (see sections 4 and 5). This was made possible, among other factors, by the continuous reduction of the exit age from the labour market for both women and men between the 1960s and the mid-1990s - in 1995 the female employment rate in the age bracket 55-64 was 13.5% in Italy *vs* a EU15 average of 25.3% - which was in turn partly responsible for the increase in pension spending as a proportion of the welfare budget.

Against this backdrop, since the mid-1990s experts have claimed for the need to "*recalibrate*" the Italian welfare state (CACMSS 1997; Rossi 1997; Ferrera, Hemerijck and

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[2] Non-standard, that is employment in non-full time open-ended contracts has grown from roughly 5% to 20% of total employment in the last two decades in Italy, cfr. Jessoula et al. (2010) Berton et al. (2012).

[3] All interviews were conducted in Italian and translated by the Author for the purpose of quotation in this report.

Rhodes 2000; Boeri and Galasso 2007). On the one hand, along the functional dimension, there was a need to combine the reduction of (especially the projected increase of) pension expenditure (the *retrenchment component* of the recalibration agenda) with measures aimed to both expand social services and strengthen protection in the fields of social assistance and unemployment (the *expansionary component*). The implementation of the *"functional recalibration" agenda* would have had, on the other hand, relevant *distributional implications* by improving social protection for relatively under-protected groups – i.e. the outsiders. The expansion of social care services, in particular, would have relieved many Italian women from providing child- and long term elderly- care.

At the outbreak of the economic crisis, however, the "recalibration" agenda had been unevenly accomplished (see table 1): while repeated incisive reforms of the public pension system (at least 6 major reforms adopted in 1992-2006, cf. Jessoula 2009, 2011) have implemented the retrenchment component of the recalibration strategy - therefore effectively limiting the projected increase of old age expenditure in the next decades (see EC 2010; Jessoula and Pavolini 2012) - the expansionary component has lagged behind with still limited resources devoted to care services, social assistance and unemployment protection (Gori and Madama 2008; Jessoula and Alti 2010; Jessoula 2010).

Table 1. Social protection expenditure by sector, as % of total social expenditure

	Italia	EU15	Italia	EU15	Italia	EU27
	1990		2000		2006	
Social exclusion	0,1	1,2	0,1	1,1	0,2	1,3
Family/children	**4,2**	**7,5**	**3,7**	**8,0**	**4,3**	**7,7**
Housing	0,0	1,8	0,0	2,0	0,1	3,7
Unemployment	2,6	7,2	1,6	6,0	1,9	5,2
Sub total	***6,9***	***17,7***	***5,4***	***17,1***	***6,5***	***17,9***
Old age/survivors	**55,1**	**43,5**	**60,8**	**44,9**	**58,3**	**44,4**
Disability	7,1	7,8	5,8	7,5	5,7	7,2
Health care/Sickness	26,7	26,8	24,2	26,4	25,9	28,1

Source: Author's elaboration from Eurostat on line database.

This recalibration actually risks being "choked", on the one hand, by the constraints on public finance while, on the other hand, it is characterized by a "weak politics" that (often) does not allow for the seizing of the opportunity that it has been presented. This is particularly true in reference to the both the limited political power and the lack of unity of potential beneficiaries - primarily, women, young and labour market outsiders in general - and to the fact that it (unlike retrenchment measures) benefits only to a limited extent from the "fly-wheel" or impetus given by EU norms, which in the sectors in question are generally *soft* (Graziano and Jessoula 2011).

In 2007, when the crisis broke out, the Italian welfare state was thus still in need of a "recalibrating effort" especially in the fields of social services/assistance and unemployment protection. This was also crucial in light of new trends like the growth of total employment - also due to the spread of atypical jobs, requiring an adaptation of the unemployment benefits system (cf. Jessoula et al. 2010; Jessoula and Vesan 2011; Berton et al. 2012) – and the increase of female employment from 36.5% in 1992 to 46.6% in 2007 (age bracket 15-64, cf. table 2). The latter, in particular, put pressure for the development of care and work-family reconciliation policies in order to break the vicious circle outlined above which discouraged Italian women from entering - or remaining, especially after pregnancy and/or care activities – in the labour market and was the main cause of the very low fertility rates in recent decades.

The adoption of such "recalibration" framework as proposed by Ferrera et al. (2000) seems therefore particularly useful in order to analyse social policies responses following the economic-financial downturns in a gender perspective. The overarching research question can then be rephrased as follows: has "gender-friendly recalibration" been pursued by Italian policymakers as a response to the crisis(es)? In other words, have reforms aimed to rebalance the Italian welfare state along both the functional and the distributional dimensions – by constraining the growth of pension expenditure while increasing resources devoted to social (care) services - in order to make it more women friendly?

Table 2. Main labour market indicators, Italy 1992-2009 (%)

	1992	1995	1998	2001	2004	2007	2009
Employment rate	52.3	51.2	52.2	54.9	57.4	58.7	57.5
Unemployment rate	11.7	11.7	11.9	9.6	8.1	6.2	7.9
Female employment rate	**36.5**	**35.4**	**37.3**	**41.1**	**45.2**	**46.6**	**46.4**

Source: OECD online employment database

3. The crisis(es) and pressures for reform

The "crisis" took on distinctive features in Italy. As anticipated above, it would be more precise to talk of *three different crises*. The first two crises are the *financial-economic* crisis of 2008-2009 and the *sovereign debt* one (2010-2011) followed by economic stagnation and recession in 2011-2012. Third is the *politico-institutional crisis* which has aggravated in 2010-11 and must be briefly outlined in order to both understand the political background of anti-crises policy responses and elaborate on the potential for women's mobilization as well as ability to influence the (social) policy agenda.

A few figures suffice in framing the Italian case with respect to the financial-economic crisis which followed the Lehman Brothers breakdown. If financial repercussions were limited due to the specific features of the Italian banking system, the crisis of the "real economy" was significant in 2008 and especially 2009, though it did not impact much harder than in other European countries initially (table 3).

Table 3. Gdp growth (%), Italy and EU averages, 2003-2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
EU27	1,5	2,5	2,1	3,3	3,2	0,3	-4,3	2,1	1,5	0,0
EU15	1,3	2,4	1,9	3,1	3,0	0,0	-4,3	2,1	1,4	-0,2
Italy	**0,0**	**1,7**	**0,9**	**2,2**	**1,7**	**-1,2**	**-5,5**	**1,8**	**0,4**	**-1,4**

Source: Author's elaboration from Eurostat on line database.

In 2008 the fall of the Italian Gdp was -1.2%, and -5.5% in 2009, before the economy recovered in 2010 (+1.8%). However, the economic shock had a dramatic impact by reinforcing an already perilous situation marked by *prolonged stagnation of the Italian economy*. In the decade 2001-2010 the average Gdp growth was 0.3% in Italy - compared to 0.8% in Germany, 1.2% in France, 1.4% in the UK, 2.0% in Spain and 2.4% in Greece; figures even turn to negative when *per capita* Gdp growth is considered – minus 0.3% in Italy versus +0.5% in France, +0.7% in Spain, +0.9% in Germany and the UK (*data: International Monetary Fund, online database*).

Against such background, as soon as the Italian economy recovered in 2010, the *sovereign debt crisis* broke out. In light of the huge Italian public debt (above 120% of Gdp in 2011), a public deficit persistently above the 3% threshold, remarkably slow economic growth since a decade and the strict EU rules on MS' public finance, financial markets' speculation targeted Italian bonds. The so-called "spread" (i.e. the difference between the interests paid by the German and the Italian governments to finance public debt) increased steadily during 2011 and skyrocketed in autumn 2011[4] - also due to the weakness and the low reputation of the Berlusconi cabinet[5]. Massive austerity measures were consequently adopted in the summer and subsequently in autumn 2011 in order to both appease financial markets and reassure European institutions, while the economy turned again towards stagnation (0.4% Gdp growth in 2011) and proper recession, i.e. -1.4% in 2012, but the latest projections for 2012 are actually much worse (-2.4%) than the previous Eurostat figures provided in table 3.

This leads us to the *politico-institutional crisis* which constitutes the background of policy responses especially in 2010-2012. Two different periods can actually be distinguished. Between 2008 and 2010 the centre-right government – and especially the

[4] The growth of "spread" meant, at its peak, that interests to finance the Italian debt were 5%-6% points higher than those requested for the Germany debt.

[5] Cf. for example *The Economist* front page "Silvio Berlusconi's record. The man who screwed an entire country. The Berlusconi era will haunt Italy for years to come", 9th June 2011.

President of the Council Silvio Berlusconi - repeatedly denied the acuteness of the economic crisis in the public discourse[6], on the one hand, while adopting the first two anti-crisis packages which also included measures in the field of pensions particularly affecting women (see section 4). In 2010-2011 the discredit of the Berlusconi government - following several scandals which involved the President of the Council himself - contributed to the worsening of the sovereign debt crisis in the Italian case, ultimately leading to government resignation in November 2011. A new technocratic cabinet led by the economist Mario Monti – supported in parliament by a "grand coalition" involving centre-right, centre-left and centre parties – was then appointed and adopted a major anti-crisis package in December 2011 (so called, "Save Italy" decree). This aimed to reach a balanced budget in 2013 already, mainly via expenditure cuts, as requested by a joint letter sent to the Italian government on August 5th, 2011 by the then President of the European Central Bank Trichet and Mario Draghi (then Governor of the Bank of Italy, now President of the ECB).
Growing political apathy (different to Spain and Greece) as well as disaffection across the population complete the picture of political-institutional crisis in Italy: in autumn 2012 polls reported that almost 50% of Italians would not vote at the next 2013 elections; confidence in political parties is at 6.8% - a recent report by Eurispes (2012) said – down from 12.8% in 2009, 12.1% in 2010 and 7.1% in 2011 (as a contrast case, the confidence in the President of the Republic is at 62.1%).

Despite neo-institutionalist arguments emphasizing the resilience of welfare state structures and "path dependency" (Pierson 1994, 2000; Myles and Pierson 2001), comparative studies on welfare state reforms in the last three decades have accurately shown that crises and especially exogenous shocks often create opportunities for radical departure from long established policy and institutional arrangements (Ferrera and Gualmini 2004, Immergut et al. 2007, Palier 2010). Has this actually occurred in Italy between 2008 and 2012 (and, in case, to what extent), or institutional resilience has rather prevailed?
In the following we aim at providing a response to this question by analysing social protection changes through the lenses of "gender friendly recalibration" outlined in the previous section. The overarching questions are therefore the following. Have social policy responses to the multifaceted crisis that affected the country reshuffled welfare state arrangements in a direction that is more/less favourable to women? Is there any evidence that policymakers have "exploited" the crisis to "recalibrate" the Italian welfare state in to make it more "women-friendly"? Has gender been appropriately taken into consideration in the design of anti-crisis social policy responses or, rather, austerity measures (if any) have especially affected women's entitlements?

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[6] Still in November 2011, the President of the Council tried to challenge image conveyed by the media about the critical economic situation of the country. In a press conference he said that Italians live in a "rich country" and "consumption has not decreased, restaurants are crowded in Italy", Author's translation from the article Berlusconi: "*Crisi da noi? Ma se i ristoranti sono pieni*" published in "La Stampa", 5th November 2011.

As briefly mentioned above, the adoption of the "recalibration" framework seems particularly promising to address these questions and the analytical focus will thus be primarily posed on two policy sectors - pensions and social assistance/services – for two main reasons. First, the most relevant austerity measures adopted in 2008-12 affected the pension sector, as also emerged from Interviews n.2, 3, 6 - "*no doubt that the most relevant interventions were adopted in the field of pensions, following reforms already started in the 1990s…."* and "*these measures have also had significant gender implications" (Interview n.3)*; but significant cuts have also regarded resources devoted to social care services (Interviews n.1, 2, 3, 4, 6). Second, in light of the double distortion of the Italian welfare state presented above, the analysis of these policy fields is crucial in a gender perspective because women represent one of the under-protected groups that might profit directly from the expansion of traditionally underdeveloped social policy sectors. Conversely, *"austerity measures based on cutting resources for social services have a direct and negative impact on women" (Interview n.2).*

Austerity measures affecting the health care sector will also be mentioned briefly in the following: in fact, due to the universalistic nature of the National Health Care system – providing coverage to all residents on the Italian territory - these changes only affect women indirectly. The same goes for the reform of the labour market legislated in June 2012 which contains only limited provisions directly concerning women.

4. Social policy responses to the crisis(es)

As outlined by all interviewees, retrenchment has dominated the social policymaking in Italy between 2008 and 2012 as a consequence of the economic and the sovereign debt crisis: drastic cuts have concerned all sectors of the Italian welfare state.

"The cuts to welfare services came with the crisis" (Interview n.1).

"Measures adopted since 2008 in the fields of health care, pensions and social assistance policies have all been characterized by a drastic reduction of resources and expenditure" (Interview n.4).

"Welfare reforms in the last year have been characterized by a rush to consolidate public finances, which was actually necessary to avoid the state bankruptcy and default" (Interview n.6).

Though available resources diminished in all policy sectors, the most relevant cost containment interventions were adopted in the pension sector as a response to the economic crisis and the subsequent sovereign debt "agony".

In the following par. 4.1 the various measures in the field of pension will be presented by paying particular attention to the distributional impact of recent austerity interventions – i.e. the retrenchment component of the recalibration agenda - in a gender perspective. Then in paragraph 4.2 we will assess if the retrenchment component was, at least partly, compensated by measures aimed to expand social protection sectors and services which might be favourable to women – primarily, child- and elderly care facilities.

4.1. Old age pensions

Several austerity measures in this field have been designed between 2009 and 2011 by the Berlusconi and the Monti cabinets and retrenchment interventions were actually included in four subsequent "anti-crises" packages – Law 102/2009, Law 122/2010, Decree 98/2011 and Law 214/2011 – mostly aimed at tightening eligibility conditions for both old age (and seniority, see below) pensions. These reforms include:

- a steep increase of pensionable age,
- the full harmonization of requirements both across genders (and economic sectors, especially public/private) to be implemented in the next 5 years, as well as:
- the automatic link of eligibility requirements to changes in life expectancy.

In the following sections we describe the distributive impact of these pension reforms showing that is far from being gender neutral: women will be soon dramatically affected by cuts. Before going into details, however, a brief outline of the Italian pension system is necessary in order to understand what follows.

The pension background

Until reforms of the 1990s old age (as well as invalidity) protection in Italy has presented the typical features of the so-called "single-pillar model" (cf. Ebbinghaus 2011; Jessoula 2011): it was public, compulsory and predominantly occupational. This implied that the bulk of the pension systems was constituted by compulsory schemes for the various professional categories – covering almost 100% of the employed population – which were managed by para-public institutions on a Paygo[7] basis. A tax financed social assistance schemes then provided last resource "social pensions" (named "social allowance" after 1995) to people with no/insufficient contribution records. Starting in 1993, however, several reforms have launched a transition towards a so-called multipillar architecture by introducing a regulatory framework for second and third pillar funded pension schemes[8] – managed by either the social partners or financial institutions (banks, insurance companies, etc..). However, in light of both the limited coverage of supplementary pillars and the tight link of eligibility conditions in the latter with conditions in the public pillar, in the following we exclusively focus on the first public pillar which still represents the cornerstone of the old age protection system (cf. Jessoula 2011). .

In past decades Italian pension arrangements were not only generous with respect to benefit levels (due to the earnings-related method for benefits calculation) but especially with regard to *eligibility conditions*. The latter also varied substantially across professional categories, and since expansionary reforms in the 1950s-60s *two main exit routes* from the labour market were available for public and private employees as well as for the self-employed. The first route was represented by standard *old age pensions*: workers were entitled to retire when reaching a pre-defined age (*pensionable age*) and provided a minimum contributory period (15 years until 1992). However, workers

[7] In a Paygo system social contributions paid by the employed population are immediately used to finance current pensions.

[8] Differently fro Paygo schemes, funded schemes are based on the capitalization principle.

could also retire prior to reaching pensionable age via so called *seniority pensions* – the second route - provided the fulfilment of a *longer period of paid contribution*: no age requirement existed to be entitled to these benefits. Interestingly, from a gender perspective, eligibility rules for both old age and seniority pensions *varied* greatly, not only across professional groups but also between men and women. With regard to old age pensions, between 1939 and 1992 standard rules for employees in the private sector set a differentiated pensionable age for men (60) and women (55); for the self-employed the age requirement was higher: 65 for men, 60 for women. As for seniority pensions, since 1956 extremely favourable rules applied to public sector employees who were allowed to retire after only 20 years of regular employment regardless of age - so-called ''baby pensions'': again, for married women and mothers, contribution requirements were further reduced by 5 years (retirement allowed with 15 years of paid contributions only). Seniority pensions were also introduced for private sector employees and the self-employed in 1965 permitting them to retire after 35 years prior to reaching the pensionable age with no gender differences.

Reforms since the 1990s have repeatedly aimed to tighten eligibility conditions for both old age and seniority pensions in order to increase the effective retirement age and contain the dramatic projected growth of public pension expenditure. As a result of repeated reforms the average age of exit from the labour market for both men and women has moderately increased, from 60 and 58 respectively to 60.8 years for males (vs 61.8 in the EU27) and 59.4 for women (EU27, 61.0 years) in 2009.
The average age of exit has remained, however, comparatively rather low (60.1 years in Italy vs 61.4 in EU27) due to the provision of long phasing-in periods for the implementation of the new measures in combination with the permanence of relatively loose requirements for seniority pensions. Even more important for this report, if seniority pensions for public employees (baby pensions) were phased-out in 1992 already, a differentiated pensionable age between women and men was still in place in 2008: 60 years for the former, 65 for the latter (table 4).

(Highly gendered) pension retrenchment
Against such background, pension measures included in the four anti-crises packages adopted between 2009 and 2011 have mainly aimed to *reduce expenditure in the short-medium term* by modifying *eligibility conditions* for both *old age* and *seniority pensions* - as well as by accelerating the implementation of the new Notional Defined Contribution system for calculating benefits introduced in 1995. Measures affecting eligibility conditions are particularly relevant in a gender perspective and they will be extensively presented here below.

Harmonizing eligibility conditions in the public sector
The first step was represented by the intervention on the pensionable age for *women employed in the public sector*. As discussed elsewhere (Jessoula 2010), in response to the ECJ judgement C-47/07 of 13 November 2008 the first anti-crisis package legislated by the centre-right Berlusconi government raised the pensionable age for female employees in the *public sector* from 60 to 65, to be implemented gradually between 2010

and 2018 (Law 102/09). However, in light of the emerging sovereign debt crisis, in spring 2010 the European Commission requested a faster phasing-in of the new eligibility conditions. Despite opposition by the unions, the Italian government agreed to Commission's request and in summer 2010 Parliament adopted the second anti-crisis package (Law 122/10) that also included some pension measures. Among these, a 4-year increase of the pensionable age for female workers in the public sector was legislated, to be implemented very quickly from 61 in 2011 to 65 in 2012, thus harmonising it with the age threshold for male workers: with the new rules a 60 years female employee in the public sector expected to retire at 61 in 2011 will actually retire at 65 in 2015.
By contrast, in the *private sector* differentiated pensionable ages for men (65) and women (60) remained in place.

Linking pensionable age to demographic change
The first anti-crisis packages also included other pension measures. Law 102/09 introduced the first regulation to *link eligibility conditions for old age benefits to demographic trends*. Subsequently, Law 122/10 made the link effective: every three years the ministry of Labour and Social Protection would raise the pensionable age in order to neutralise changes in life expectancy, starting in 2015. The second increase was planned for 2019 (derogating to the 3-year rule). The age threshold for being entitled to the means-tested social allowance as well as the age requirement to receive seniority pensions (60 years for employees, 61 for the self-employed combined with 35 years of paid contributions in 2011, raising to 62 and 63 respectively in 2013) would also be linked to changes in life expectancy[9].

The 2011 package and the Fornero reform: full & fast regulatory harmonization across genders
Facing increased external pressures due to the sovereign debt crisis, in 2011 two further anti-crisis packages were adopted by both the Berlusconi government and the subsequent technocratic Monti cabinet. The full illustration of reform packages legislated in 2011 is beyond the scope of this report, thus only the drastic and most relevant to women interventions on eligibility conditions for retirement will be presented in this paragraph. Particular attention will paid to measures affecting women included in the latest *Fornero reform* adopted in December 2011 (Law 214/11).
Building on measures already included in Law 102/09 and Law 122/10, Law Decree n. 98 (enacted in July 2011 by the Berlusconi government) and especially the subsequent Law Decree 201/11(then converted into Law 214/11) introduced major changes mostly aimed to: a) *promote regulatory harmonization* between *genders* and among *professional*

[9] Law 122/2010 also lengthened the waiting period between the fulfilment of age/contributions requirements (for old age/seniority benefits) and the effective moment of retirement (i.e. the "exit window mechanism", see EC 2010). This period was extended to 12 month for employees and 18 months for the self-employed, thus further increasing the actual pensionable ages as well as tightening contribution requirements for seniority pensions.

categories (and generations[10]), as well as, b) *raise the retirement age* in the short-medium term by tightening eligibility conditions.

Increasing the pensionable and age and harmonizing eligibility conditions for men and women

As far as standard retirement via *old age pensions* is concerned, Italy had already taken some major steps in 2009 and 2010 by both linking the pensionable age to changes in life expectancy and equalizing (by 2012) the pensionable age for women employed in the *public sector* (60 years in 2008) with the age required for men (65 years) employed in the private and the public sectors. As mentioned above, however, in 2011 a diverse pensionable age for female employees in the *private sector* persisted (60 years) and no actions had been taken towards harmonization (see table 4, second column from the left).

Measures adopted in the course of 2011 have radically modified this picture (table 4 and table 5) by:

i) gradually harmonizing the standard pensionable age for *women* employed in the *private sector* with other categories', with a first increase from 60 to 62 in 2012 in order to reach full equalization at 66 years and 7 months in 2018 (!) in 2018 (table 5);

ii) increasing the standard pensionable age for both public employees (male/female) and men employed in the private sector to 66 years in 2012 (table 4)[11],

iii) anticipating the first adjustment of pensionable age to changes in life expectancy, with a first *forfait* 3-month increase in 2013, then progressive and automatic adjustment to life expectancy every three years until 2019, and every two years afterwards.

These measures will likely entail a substantial increase of the standard pensionable age, which is expected to reach 66 years and 7 months *for all categories and both sexes* in 2018, then 67 in 2019. A "safeguard clause" also set the standard pensionable age at 67 in 2021.

Changes to eligibility conditions introduced after 2008 are summarized in tables 4 and 5, which also present the new requirements to be entitled to old age pensions in force after 2011 and their projected evolution in the next decade.

Importantly, further conditions for retirement have been either introduced or modified. According to the new rules, retirement will be possible:

a) after contributing for at least 20 years (formerly 5 years in the NDC system) and,

b) only in case the pension amount is at least 1.5 times higher than the old age social allowance ("pension value threshold": approximately 635 €/month in 2012). In case the pension value is lower, retirement is allowed only at 70.

Finally, the reform introduced c) the possibility of *late* and *early* retirement at 70 and 63 (see below) years respectively in 2012, *de facto* re-introducing a flexible pensionable age

[10] On this front the 2011 reform made a major step towards a thorough harmonization of rules across generations by shortening the phasing-in of the NDC system. Since January 2012 the latter is actually applied *pro-rata* (that is for working years after 2011) also to previously exempted workers - that is workers with at least 18 years of contributions in 1995.

[11] The increase is partly compensated by the elimination of the waiting period for receiving pensions (i.e. the "exit window mechanism", see EC (2010).

in the bracket 63-70. The lower and upper limits will be also adjusted in accordance with life expectancy.
In the next section the new conditions for retiring prior to the standard pensionable age are thus briefly summarized.

Table 4. Tightening of eligibility conditions for old age pensions and the old age social allowance

Year of retirement	Before austerity packages - 2008	After Law 102/09 & Law 122/10 - 2011	After Law 214/11 - 2012	Standard age for old age pension - 2013*	Projected** standard age for old age pension - 2018	Minimum*** standard age for old age pension - 2021	Projected standard age for old age pension - 2050
Males public sector	65	65	**66**	66y 3m	**66y 7m**	67	69y 9m
Males private sector	65	65	**66**	66y 3m	**66y 7m**	67	69y 9m
Females public sector	60	2011: 61 2012: 65	**66**	66y 3m	**66y 7m**	67	69y 9m
Females private sector	60	60	**62**	62	**66y 7m**	67	69y 9m
Social allowance	*65*	*65*	***65***	*65 3m*	***66y 7m***	*67*	*69y 9m*

* First automatic adjustment to change in life expectancy: 3 months
** The actual pensionable age will depend on the automatic link to life expectancy
*** Actual pensionable age can be higher than 67, in accordance with changes in life expectancy
Source: Author's elaboration.

Table 5. Increase of pensionable age for women employed in the private sector

Year of retirement	2012	2013	2014	2016	2018
Standard pensionable age	**62**	**62**	**63,6**	**65**	**66**

Source: Author's elaboration.

Restricting access to early retirement schemes
The regulation of *early retirement* has become rather complex after the adoption of the Fornero reform. The most important novelty is represented by the *abolition of seniority*

pensions: this has led, however, to the introduction of a new early retirement scheme – so called *pensione anticipata* – with different rules for workers subject to the NDC system *pro rata* - i.e. in the short term - and for those fully subject to the NDC system in the medium-long run.
For the first group, retirement is possible after contributing for 42 years and 1 month if males, 41 and 1 month if females in 2012, but penalizations apply in case of retirement before 62. Differently, in the NDC system, the new early exit route is represented by the possibility to retire at 63 years, provided the fulfilment of two conditions: 1) the payment of contributions for at least 20 years; 2) the pension amount is at least 2,8 times higher than the old age social allowance (second pension value threshold). It is important to stress that all age and contribution requirements for retirement are linked to changes in life expectancy.

Has pension retrenchment also heavily affecting women been compensated, at least to a certain extent, by the adoption of gender friendly expansionary measures in the field of social assistance/services? The next section aims to answer this question.

4.2. Cutting funds for social services

Social (i.e. especially children- and elderly-) care services have traditionally displayed two main features in Italy: 1) they have been under-funded and their coverage is, consequently, extremely limited; 2) different levels of government are involved in financing, management and provision of services, with regions constantly increasing their role after they were conferred exclusive legislative powers in the field of social assistance (Constitutional reform, Law 3/2001) (Saraceno 1994; Ferrera 1996; Madama 2010).
The coverage of services for children in the age bracket 0-3 years was slightly above 10% at the outbreak of the financial-economic crisis[12] (Ferrera 2008; Del Boca and Rosina 2009), though coverage varies significantly across regions, from roughly 30% in Umbria, Emilia Romagna and Tuscany (31.9%, 31.5%, 30.1% respectively) and around 5% in Sicily, Calabria and Abruzzo (4,9%, 6,2%, 6,9%) in 2012 (Ministero del Lavoro e delle Politiche Sociali e Istituto degli Innocenti 2012).
Public LTC services are scarce and mainly provided at the local level, a fund for dependent people has lacked until very recently while public Long Term Care (LTC) has mainly relied on cash transfers (so called *indennità di accompagnamento*[13]). Currently, almost 40% of households with at least one severely dependent adult over 80 years old do not receive any kind of support; 37.1% receive informal care services, 27.6% are entitled to public support, finally 31.9% buy services on the private market (ISTAT

[12] Coverage is universal in the age bracket 3-6.
[13] Originally introduced in the 1980s to protect disabled adults, over the last two decades this program was heavily exploited to benefit dependent elderly: while beneficiaries among the latter group were around 200,000 in 1984, they reached 1.3 million in 2009. "The coverage level among the elderly was inferior to 3% in 1984 and equal to 10% in 2009; also, the elderly represented around 20% of all beneficiaries in 1984 and 78% in 2009" (Jessoula and Pavolini 2012). The allowance is flat-rate around 480 per month, it is either means-tested nor graduated.

2011a). Comparatively, as reported by Jessoula and Pavolini (2011), about 4-4.5% of the elderly population in Italy is estimated to benefit from public home care programmes and 3% has access to residential care; these figures are lower than for the other major European countries such as Germany and France where about 7-8% receive home care, and 5-6% receive residential care (in Germany, in France and in UK).

In terms of distributive equality, the limited investment in social services for both children and elderly has not favoured women and implied a high level of informal care provision – mainly within family by mothers/grandmothers – thus contributing to the "vicious circle" outline above.

"Still today 40% of males does not contribute to child rearing and caring in Italy, and the family burden on women's shoulder has only slightly diminished since the late-1980s" (Interview n.4).

Also, Italian families have increasingly relied on purchasing private care services on the (often "grey") market by exploiting the provision of these services by foreign care workers. More than 700.000 foreign paid care workers mostly working on an individual base at frail elderly's homes are estimated (Gori, 2010) and recent data from INPS (the National Social Insurance Institute) report over 100.000 Italian paid care-givers (*Interview n.5*).

In 2008 expenditure for social services (for families, disabled and elderly) was still extremely low in Italy, that is less than 1% of Gdp, in contrast with a EU27 average slightly above 2% (Madama 2012).

Against this backdrop, some steps forward were made by the centre-left Prodi government in 2007 that both introduced a "fund for dependent individuals" and launched an "Extraordinary plan for the development of early childhood education and care services". The former provided (limited) additional resources to regional funding of services for dependent elderlies and disabled people. The latter aimed at implementing an integrated strategy for the development of early childhood education and care services by promoting cooperation among different levels of governments (state, regions and municipalities): the contribution from the central government was set at 450 million Euros for three years[14]. These measures were crucial from a gender perspective and could be effective in breaking the vicious circle if adequately implemented and reinforced.

Which was the impact of the crises on these policy developments?

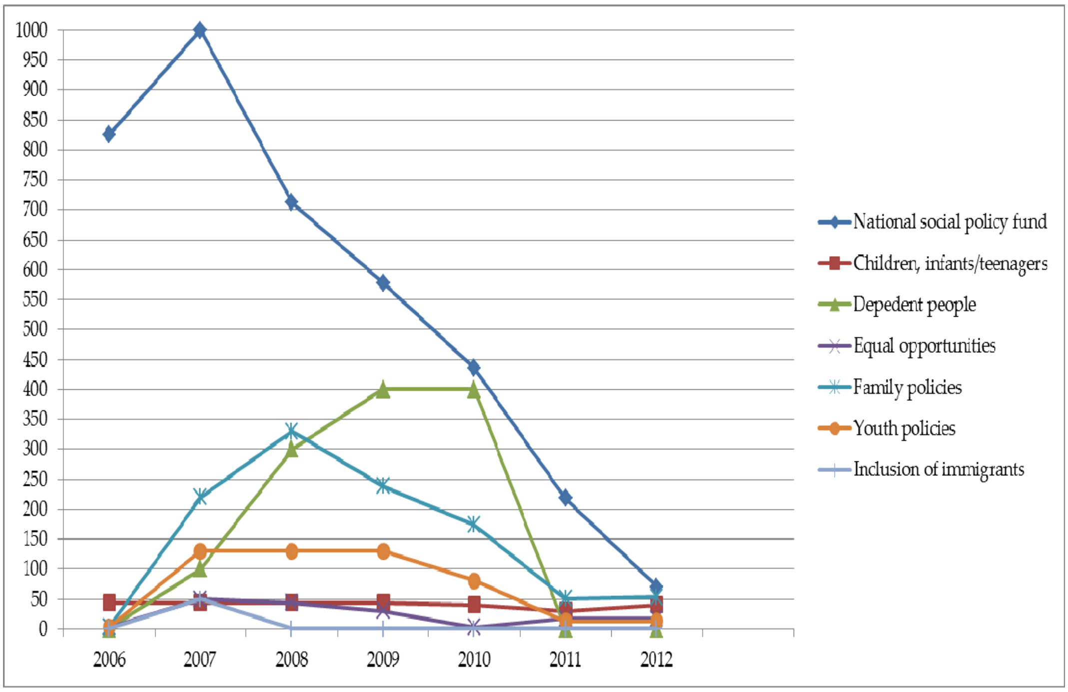
Figures are straightforward: between 2008 and 2012 the resources dedicated to the various social policy funds - to be transferred from the central government to the regions which are actually responsible for organizing social services in Italy – have been repeatedly and dramatically cut (Saraceno 2012; Save the Children 2012, *Interview n.1, 2, 3, 4, 6)*.

[14] "Piano di sviluppo del sistema dei servizi socio educativi per la prima infanzia", cfr. http://www.governo.it/backoffice/allegati/35882-4042.pdf.

"In 2008-12, resources of central government's social funds have been cut by 90%. All sectors have been affected by cuts, though some have suffered from major reductions: among these, the fund for the inclusion of migrants, the fund for dependent people and the fund for children. These funds will not receive resources from the central government in the next years" (Interview n.2).

As reported in figure 1 below, the funds for social services were cut by roughly 90% between 2007 and 2012, from 1594 million Euros to 193. The fund for equal opportunities was drastically reduced (from 50 to 17 million Euros), the fund for dependent people suffered from a 400 million Euros reduction and was actually reduced to zero, the fund for family policies had a similar fate (cut from 330 to 53 million Euros). Cost reduction measures in this field will have a major impact on women, thus further aggravating the reconciliation problem (see also section 5).

Figure 1. Social funds resources, 2006-2012



Source: Author's elaboration on Save the Children (2012)

Only the fund for children was not dramatically affected by austerity measures in the last five years. Nevertheless, the "extraordinary plan for the development of early childhood education and care services" – financed with 446 million Euros in 2007-2009 plus 100 million in 2010 by the central government, in addition to 281 million of local co-financing – was not re-financed in 2011 (*Interview n.2*). This might be fatal for the slow but continuous increase of childcare coverage that reached 18.9% in 2012 and represented one of the few positive signs of "gender-friendly recalibration" in Italy – i.e. expansion of welfare policies aimed to reconcile work and family life.

In addition to direct cuts of social policies funds, the provision of social services at the subnational level is at risks because resources transferred from the state to the local government has been repeatedly reduced in the last three years in order to contain expenditure and respect the so called "internal stability pact". This crucial aspect has also emerged from most interviews conducted with the key actors (see also next section).

4.3 Developments in the health care sector and labour market policies

As anticipated above, recent measures adopted in the health care and the labour market sectors will only indirectly affect women and they are therefore less relevant for this report. Nevertheless, they are worthy to be mentioned for a comprehensive presentation of anti-crisis social policy measures.

The health care systems has been heavily affected by cuts, *"available resources have been constantly reduced and this has especially occurred in the last 2 years"* an interviewee from the social partners lamented, *"the cuts accounting for 3 billion Euros overall" (Interview n.4).* The drastic interventions adopted in 2011 even seems to put NHS universal coverage at risk because of increasing territorial and income inequalities in the access to services (Jessoula and Pavolini 2012). Though the universalistic nature of the Italian NHS implies that women are affected by austerity measures as much as men, the latter point mentioned here deserves attention. In fact, as table 6 (below) shows, if on the one hand the positive note is that the recent crisis has not restricted access to health care overall because the "share of people with unmet medical needs has remained relatively stable before and during the crisis", the bad news "is that there has been an increase in economic inequalities in relation to health care access" (Jessoula and Pavolini 2011, 23): the ratio between the I and V quintile has actually shifted from 2.9 in 2004 to 3.9 in the first year of the crisis already, that is 2009. This is critical in a gender perspective in light of the lower level of earned income for women that for men.

Table 6. Percentage of people with unmet needs for medical examination in Italy: changes over time (years 2004-2009)

	2004	2005	2006	2007	2008	2009
Total	7.0	7.0	6.9	6.6	7.5	7.3
Ratio I-V quintile of equivalised income	2.9	2.9	2.6	3.0	3.2	3.9

Source: Jessoula and Pavolini (2011, 23)

By contrast, among the few expansionary social policy measures adopted in recent years, the reform of the unemployment benefits system included in the labour market reform passed in June 2012 should possibly be mentioned, though it is too early to assess its effects. As already anticipated above, the reform – which was strongly

contested by the unions because of a relaxation of constraints on firing – "*does not contain many measures targeted on women, apart from a the provision prohibiting women's ex-ante resignation from job in case of maternity*[15] *(so called, dimissioni in bianco) and the introduction of a limited period of paternity leave…there are no measures specifically aimed at supporting female employment…" (Interview n.6).* Nevertheless, as the expert interviewee argued "*the reform does not address the gender issue at all, but female workers that are relatively disadvantaged in the labour market might benefit from some law provisions indirectly" (Interview n.3).*
This argument relies on the acknowledgment that the two main unemployment insurance schemes (Ordinary unemployment benefit and Unemployment benefit with reduced eligibility[16]) have been replaced by two new schemes (so called, Aspi and mini-Aspi) with increased coverage and higher more generous benefits. Weaker groups in the labour market should be advantaged by this reform - primarily workers employed on atypical and mostly temporary contracts as well as women who generally have more fragmented and interrupted careers. Only the implementation of the reform in the next months, however, will allow to assess to what extent the recent intervention has managed to increase security for Italian workers after two decades of on-going flexibilization of labour market arrangements without increased protection for the unemployed (so called, "Italian flex-insecurity", cf. Berton et al. 2012)

5. Gender-friendly recalibration, a myth?

Social policies adopted in Italy in the last five years, mostly as a response to the crises that affecting the country since 2008, have mainly consisted of austerity cost containment measures and have impacted/will likely significantly impact on women's entitlements in various policy fields – either directly or indirectly.

In the pensions sector, women's entitlements have been affected in various ways. First and foremost, via the increase of female pensionable ages in both the public and the private sector in order to pursue regulatory harmonization across men and women. The implementation of the new eligibility conditions is striking because of both the substantial increase of pensionable ages (5 years) and especially the very short phasing in periods – 2 years for employees in the public sectors, 6 years for female employed in the private sector – which is almost in *unicuum* among pension reforms in European countries.
Also, the stricter contributions requirements for both old age (20 years instead of 5) and former seniority pensions (now "early pensions", *pensione anticipata*) are particularly detrimental to female workers who have more fragmented and on average shorter employment careers: in 2004 the average seniority of the new flow of retirees was 7 years lower for women than for men (27.9 vs 34. years, cf. EC 2009). In light of the

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[15] This practice is quite widespread in Italy and it represents a major abuse against women: basically, newly hired female employees are "requested" (read, obliged) to pre-sign their resignation form can be later used by employers in case of employee's pregnancy.
[16] Cf. Jessoula et al. (2010), Berton et al. (2012) for details.

spread of both temporary employment and more interrupted careers in the last two decades, the tighter eligibility conditions for old age pensions might be unmet by a relevant share of female employees, while the contribution requirements for "early retirement" seem to be out of reach for women at least in the short-medium term.
Finally women are more affected than men by the "pension value thresholds" introduced by the Fornero reform to be entitled to old age/early pensions, because of their lower wages with respect to men. If the "unadjusted gender pay gap" is actually relatively low in Italy – around 5% vs a EU27 average slightly above 15% – things are much worse when considering the gross income from work for women which is roughly a half (49%) of men's earned income.
The only positive note is that, due to the logic of the NDC pension system, higher retirement ages imply higher pension levels thus contributing to benefits adequacy (*Interview n.3*). This was in fact no more guaranteed in Italy after the 1990s and early-2000s pension and labour market reforms, especially for workers with relatively short and interrupted career profiles such as women (see details in Jessoula 2012).

The most critical notes, however, emerge when looking at the interplay of austerity measures in the fields of pension and social care services.
In fact, stricter eligibility conditions for both old age and seniority benefits and the link with life expectancy after 2013 should be effective in raising both the actual age of exit from the labour market and the employment rate of – particularly female - older workers. The government estimated a cumulated increase of age requirements for old age pensions around 3.5/4 years by 2050: accordingly, the standard pensionable age should pass from 66 to around 70 in 2050, a remarkable increase for formerly slow-moving Italian pensions. This should also affect the effective age of retirement that is expected to reach 64 years on average in 2020 and 67 years in 2040. However, the extremely fast increase of pensionable age for women (5 years, both in the public and the private sector) represents a major challenge which is likely to aggravate the reconciliation issue for the coming years.

"The 2011 reform of the pension system challenges the sustainability of the familialistic model of welfare as we know it... women have to work longer and they will consequently find it more difficult to provide children- and elderly- care services…if not reformed effectively, the Italian welfare model based on the crucial role of family will collapse" (Interview n.3)

Actually, in recent years retired women have played a growing role in the provision of informal care for (grand-)children due to the chronic underdevelopment of early childhood care services: 48% of grandparents in Italy help daughters/sons to look after (grand)children in contrast with 43% in Germany, 37% in Switzerland, 21% in Sweden (Pronzato 2012). The steep increase of female pensionable age in the next five years will therefore either imply overburdening "super-grannies" – paraphrasing the well-known expression by Luis Moreno (2004) on the Spanish "superwomen" - with work & care functions and/or aggravating the work/family dilemmas for mothers - also being the recourse to paid carers difficult in light of the decline in households' disposable income.

To put in a nutshell, if later retirement for women is unavoidable in light of demographic and economic trends and a "farewell to familialism" might actually constitute a positive and virtuous development for Italy in the medium-long run, the rapid implementation of the new eligibility conditions for pensions is likely to create severe work/life balance problems to (most) Italian families - read, women - because investments in reconciliation policies and social care services are lagging behind and the gender issue is permanently off the political agenda (Saraceno 2012; *Interview n.2*)[17].
Though it is possibly too early to provide a comprehensive evaluation of the effects of the crisis(es) as well as the social outcomes of subsequent austerity measures, some figures suggest that the "vicious circle" has possibly worsened in recent years. Not only the crisis has put a break to some positive trends registered in the labour market over the last decade, such as the growth of female employment (*Interview n.6*, see table 2), also the (modest but relentless) recovery of the fertility rate since the mid-1990s has stopped (ISTAT 2011b).

The conclusion is therefore that "women friendly" welfare recalibration has remained a mirage in Italy and the crisis(es) has(have) pushed policy makers to adopt social policy measures that have aggravated the already critical situation of Italian women with regard to work/family reconciliation and, consequently, reproductive behaviours[18].
Also looking at overall expenditure trends for the various social policy sectors, the relevant impact of recent cost containment interventions are clearly visible: figures show that the reduction of available resources has been significant especially in the field of family policies which is crucial in a gender perspective (see figures on social protection expenditure in PPS per capita reported in Annex 1).
A broad consensus on this diagnosis has emerged from the interviews conducted with the social partners, political actors and experts.

"The major problem is represented by the cut of resources for social policies started with the 2011 budget law, with particular reference to the fund for dependent people whose resources have been reduced to zero. Households with disabled and dependent adults have suffered most, and this has clear gender implications because it has entailed a further reduction of women's presence outside of the family" (Interview n.1).

"The social welfare system has been much impoverished by cuts, gender policies have become weaker and, consequently, the gender balance will worsen because many Italian women will be required to spend more time in within households care activities in order to fill the gap opened by insufficient services provision at the local level. This is particularly true with regard to service for dependent elderly and children, two sectors where the retreat is of the state is mostly visible" (Interview n.2)

"In the last year, social policies have been dictated by even tighter budget constraints but this has not favored a modernization of welfare arrangements…by contrast, the situation has

[17] The final report will elaborate further on female mobilization and the ability to influence the policy agenda.
[18] See also Saraceno (2012); Save the Children (2012).

certainly worsened since 2008… families and households have been "delegated" those social services that the central and local governments are no more able to provide, and this directly affects the condition of women in Italy. Over the last five years in Italy the condition of women has dangerously and severely worsened and female labor market participation has diminished …this has mainly occurred when women had to face life course events such as the birth of children or the need to care for a dependent relative. These situations would have required more robust welfare arrangements…this lacking, the burden on women's shoulders has increased and they have turned to be even more a subsidiary source of welfare" (Interview n.6).

5.1. Any viable way out from vicious circle?

Against such background, which strategies can be envisaged in order to tackle the vicious circle, recalibrate welfare arrangements and improve the situation of Italian women? In light of the limited resources available due to constraints on public finances, which policy options are actually fiscally and socially viable?

The public debate on the gender issue and the condition of women in Italy has widely acknowledged the need to improve work-life reconciliation policies and especially support the expansion of traditionally underdeveloped social care services. However, this would come at a cost and finding more resources for the welfare state is extremely difficult under current fiscal constraints also taken into account the permanently slow growth of the Italian economy. Nevertheless, some possible strategies may be envisaged.

The first strategy may be called "direct and formal recalibration" of the Italian welfare state and it was actually proposed in recent years. It relies on the introduction of a formal link – that is, through legislative provision - between austerity measures in high-expenditure sectors and resources invested in traditionally underdeveloped sectors. A proportion of savings from pension reforms might be "reserved" and used to foster reconciliation policies, to extend coverage of childcare services as well as to (re)finance the national strategy for dependent people. As illustrated in box 1 below, an attempt to recalibrate the Italian welfare state "directly and formally" was actually made in 2009 but it was later not consistently pursued. Despite its failure, this seems to be one of the few promising and viable options from different perspectives. On the fiscal side, resources would be found in the substantial projected savings of the recent pension reform (table 7 below) and might be diverted to "women friendly" expansionary welfare policies. From an economic perspective this would help to counteract the dramatic reduction of internal demand which significantly constrains the potential of the Italian economy; last but not least, it might contribute to restore confidence in Italian population, currently strained by the austerity measures and economic stagnation of the last five years.

Box 1

The failure of "direct and formal" gender friendly recalibration

A promising strategy to implement "gender friendly" welfare state recalibration involving both the functional and the distributional dimensions would be the formal link (i.e. through laws)

between savings in high-expenditure sectors, such as pensions, and resources invested in traditionally underdeveloped sectors: so called "direct recalibration".
An attempt in this direction was actually made in Italy following the ECJ ruling on the different pensionable age for men and women employed in the public sector (see above section 4). Interestingly, in 2009 a rather "transversal" coalition - that is cross-party and involving members from both the governmental majority and parliamentary opposition- formed to support this kind of intervention, that might contribute to rebalance the Italian welfare state by facilitate the adoption of retrenchment in the field of pensions, on the one hand, while contributing to address the reconciliation issues on the other (see Jessoula 2010 for details). Actually within this coalition a proposal emerged to connect directly and in a formal manner the savings obtained via the increase of the retirement age of women with measures aimed at supporting women's employment - through work-life reconciliation policies in the broad sense. "The rationale was to compensate women not ex-post, but rather by guaranteeing effective equality of treatment during the active phase of their lives, when women are in the job market, with positive measures that favor female employment and the reconciliation of family and work time" (Interview 6, Author's translation) - in the first place through the strengthening of family services. The idea of a direct and formal recalibration then received the support of the ad hoc Commission instituted by the government to identify and evaluate the proposed policy alternatives, and the direct link between pension retrenchment and expansive employment policy measures favorable to women soon became a cornerstone of the reform included in the first anti-crisis package in July 2009. Estimates of the savings or resources available for the intervention, drawn up by the government and by some commentators, were around €3.5 billion cumulative over the period 2012-2019. Unfortunately, however, legislative provisions were never implemented. Despite women's bipartisan initiatives in parliament – among which an inquiry presented in May 2011 by Emma Bonino, MP and President of women's association "Pari o Dispare" - as well as protests by several women's associations (*Interviews n.3, 6*), the savings from pension reform have in fact not been diverted to reconciliation policies; rather they have been used for several different interventions in the climate of fiscal rigor and austerity that has dominated the last two years (see Martuscelli 2011 for a detailed and extremely interesting analysis). Most interviewees have deemed the failure of this attempt a major infringement to gender equality (*Interview n. 3, 5, 6*)

Table 7. Savings from measures on pension included in Law Decree 201/11 (million Euros), 2012-2021

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2,767	5,968	8,540	11,910	14,757	17,890	20,029	21,518	22,037	21,038

Source: Relazione Tecnica - Decreto Legge 201/11 (Techincal Annex - Law Decree 201/11), p. 44

Apart from direct recalibration, a few positive signs can already be detected by looking at most recent measures. A modest increase of funding for social services has been recently included in the 2013 budget law - so called "stability law", *Legge di Stabilità,* adopted on December 21th, 2012 - that allocated 300 million Euros to the National fund for social policies and 275 million Euros to the Fund for dependent people for the year 2013. Also, 75 million additional Euros were directed to the "extraordinary plan for the development of early childhood education and care services" in the course of 2012[19].

Even more important for future prospects is the recent initiative by the Ministry for Territorial Cohesion that has planned to reallocate European funds to Southern regions in order to finance a number of measures aimed to reinforce social cohesion, among which the development of child- and elderly- case services. Resources made available with this plan should suffice to expand services for early childhood in order to reach the coverage target of 12% in the South of Italy (Ministero del Lavoro e delle Politiche Sociali e Istituto degli Innocenti 2012). This represents another promising strategy to be pursued in light of the traditional waste of European funds by Italian regions.

From a different perspective, the second major Italian trade union CISL acknowledges that the "state role in welfare provision will necessarily diminish in the next years due to the scarcity of resources" and consequently proposes a response based on subsidiarity and the crucial role of social partners in developing innovative forms of welfare provision:

"CISL has always supported the subsidiarity principle in social policies, with particular reference to contractual/collectively agreed welfare provision and corporate social responsibility. CISL is currently monitoring and collecting data and information on best practices in Italy…we are trying to prompt a cultural change with respect to the role of the welfare state in light of the declining role on the state in social policies provision" (Interview n.5)

In addition, the National Secretary of CISL Department for Migration Policies, Women and Young argues, *"the response to the reconciliation challenge in the coming years can be found in the recent CNEL[20] (2012) report on the labour market, according to which the challenge of work-family reconciliation will be solved by an increased competition between foreign migrants and Italian workers in the provision of care and assistance services…the real challenge therefore consists in improving the quality of jobs by creating agencies and consortia for the provision of this kind of services" (Interview n.5)*

6. The political dimension. A gendered welfare agenda for the new government?

The disappointing condition of women in Italy[21] after the adoption of anti-crises social policy responses is not simply the direct consequence of budget restraints and the need of austerity measures. Rather it is the outcome of more long-term developments

[19] The competent Ministry has also adopted a "National Plan for Family" aimed to provide integrated family policy guidelines in order to overcome the fragmented approach that has prevailed so far. Though positively aimed at supporting family, the plan is still on paper only and it has still to be implemented.

[20] CNEL is the Economic and Labour National Council.

[21] According to the Global Gender Gap Index developed by the World Economic Forum Italy ranked 80 out of 135 countries in 2011, thus worsening its position compared to 2010 when it ranked 74. Cf. World Economic Forum (2012).

combined with more recent interventions and it can be connected to a peculiar mismatch characterizing the public as well as the political debate on gender issues in Italy - and especially the necessity to re-balance the Italian welfare state in order to make it more women friendly.

In fact, on the one hand, the debate on the gender issues has grown in Italy at least since the early-2000s, consciousness of the disadvantaged condition of Italian women has increased and most social partners as well as political parties have acknowledged the need to implement a gendered agenda especially in the field of social and labour market policies. Not only the issue has been recognized as crucial in order to enhance gender equality in a country which ranks 80 out of 135 countries in the world according to the Global Gender Gap Index developed by the World Economic Forum (2012); women's emancipation and, particularly, higher female participation to the labour market has been increasingly seen as a resource for the country itself (*Interviews n. 3, 4, 5, 6*). Investing in measures aimed at both supporting female employment rate – such as care services and broader work-life reconciliation policies - and protecting women in the labour market would actually represent an investment – rather than mere social protection expenditure – in a country that has a major unexploited potential of inactive women (Ferrera 2008). This is especially true in a period of economic crisis when various levers must be pushed in order to return to growth (*Interview n.3*). This shared understanding is also testified by the inclusion of "women friendly" social policies in all major political parties' programs for the next 2013 elections (to be held on 24-25 February), though emphasis on the role of women in the society vary[22].

On the other hand, social policy measures aimed to improve the condition of women have remained limited: gender friendly recalibration continues to be a myth, as extensively argued above. In this respect, some interviewees have put emphasis on continuity in the policy choices of the two cabinets - i.e. center-right and technocratic government - that have succeeded in the last 5 years (*Interview n.1*[23]) *"continuity is*

[22] Both the center-left Democratic Party and the agenda drafted by the former President of the Council Mario Monti see women not only as welfare recipients but also as a productive factor and a crucial resource for the growth prospects of the country by pointing at recent estimates by the Bank of Italy suggesting that an increase of the female employment rate up to 60% would increase Gdp by 7% overall. On the center-right of the political spectrum, while the electoral program of Berlusconi's party is still in the making, its main ally the Northern League combines a more traditional view of women as care givers with the recognition that women friendly policies should be developed. See: the recent document by Mario Monti "Cambiare L'italia, Riformare l'Europa. Un'agenda per un impegno comune" at www.agenda-monti.it/cambiare-litalia-riformare-leuropa-agenda-per-un-impegno-comune; for the Democratic Party see http://www.partitodemocratico.it/speciale/cartadintenti/home.htm and http://www.matteorenzi.it/idee for the Northern League http://www.leganord.org/index.php/le-idee-della-lega-nord/101-famiglia-nuova-generazioni-futuro/politiche-sociali/9088-donne; http://www.leganord.org/index.php/le-idee-della-lega-nord/101-famiglia-nuova-generazioni-futuro/politiche-sociali.

[23] See also the article by Gori, C. "Politiche sociali, il piatto piange", published in "Il Sole 24 Ore", 22 October 2012.

evident with regard to economic and social policies" (Interview n.3). Even those who have detected a different approach between the cabinets directed by Silvio Berlusconi and Mario Monti – the former displaying an ambiguous approach to the gender issues, the latter showing a more gender-friendly attitude (*Interview n.6*) – have nonetheless recognised that the change in government has not mattered much in terms of concrete policy measures and the condition of women has aggravated in recent years.

This has occurred in spite of various signs of increased female mobilization both at the societal and the political level (*Interviews n. 3, 4, 5, 6*). In parliament, female cross-party alliances were built in the last years in order to promote women friendly policies such as, for instance, the direct and formal recalibration of the Italian welfare state illustrated in Box 1. Within the main social partner organizations – namely, the major trade unions – women coordinate more or less formally in order to push the gender agenda forward. Female cadres and directors at CGIL, the main Italian trade union, have organized a seminar series at the national level in order to develop a gendered agenda in all policy fields. Also new networks and innovative forms of mobilization have appeared. The network "*Cresce il welfare, cresce il paese*[24]" has brought together about 40 Ngos and organizations active in the social economy as well as in the volunteering sector and workers representation: it has recently launched a campaign aimed at inducing political actors to repeal recently legislated cuts of social policy funds, rethink social policies and launch a national plan for dependent in order to promote social cohesion and equity as well as re-launch economy. As outlined by most interviewees, even more interesting from a gender perspective is "*Se non ora quando*"[25], a pluralistic network gathering women created in 2011 in order to tackle the humiliating conception of women diffuse in the Italian society and brought to the fore by the scandals involving the former President of the Council Silvio Berlusconi. After a major demonstration in Rome, the network is being structured in the attempt to campaign on sensitive issues for women among which gender friendly social policies.

The extent to which these actors will effectively be able to influence policy making in the near future in order to favor the emergence of a clear agenda aimed at promoting greater gender equality in Italy is likely to depend, however, on three main conditions.
First, the orientation of the parliamentary majority that will emerge from the next elections and the consequent composition of government. Recent accounts of social policy trajectories have actually shown that both Italian parties have different approaches on gender issues (see Jessoula and Alti 2010; Madama 2010; Madama 2012) and more/less pro-gender figures in key government roles – i.e. Ministry of Labour and Welfare, Ministry for Equal Opportunities – can make the difference.
Second, the possibility to adopt and implement social policies that might be favorable to women crucially rests on resources availability. Therefore *"the main challenge is*

[24] See www.cresceilwelfare.it/index.htm.

[25] See www.senonoraquando.eu. The name, as well as the motto, of the network draws on a famous novel by Primo Levi telling of Jewish groups resisting and actually fighting against the Nazi, especially in Central and Eastern European countries during World War II.

represented by economic recovery…this would entail a return to employment growth and, consequently, an increase of revenues for social insurance schemes" (Interview n.2). In this respect, austerity measures should possibly be accompanied by some stimulus packages and, against such backdrop, women constitute a crucial resource for the return to growth, as correctly pointed at by most interviewees.

This is therefore the button gender equality supporters should push in the coming months and years. However, third, in order to successfully moving this lever, on the one hand pro-women social actors should be able to overcome the traditional fragmented pattern of representation (Madama 2012) by building broad alliances able to hold a sound grip on the policy making not only at the local but also at the national level; on the other hand, the share of women in the main politico-institutional bodies should increase starting from the next round of political elections.

Interviews

Interview 1	Social partner, President, conducted on September 24th, Milan.
Interview 2	Social partner, Head of Unit for Family Policies, written responses received on October 10th 2012.
Interview 3	Economist, gender policy expert, conducted on December 3rd 2012, Milan.
Interview 4	Trade union, Head of Unit for Gender Policies, written responses received on December 23rd 2012.
Interview 5	Trade union, Confederal Secretary, Department for Migration Policies, Women and Young, conducted on December 27th 2012, Rome.
Interview 6	Political actor, Member of Parliament from the Democratic Party, conducted on January 7th 2012, Skype call.

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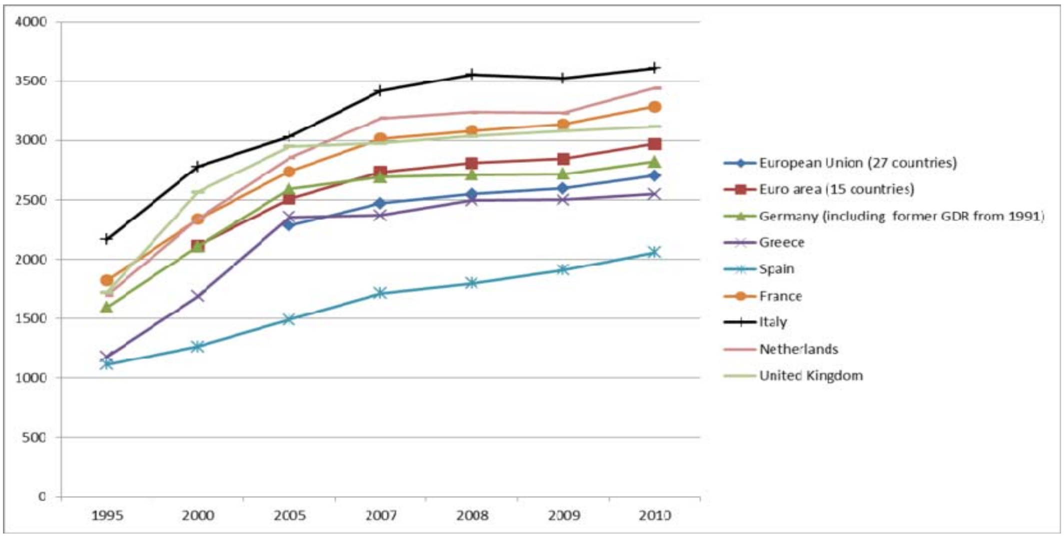
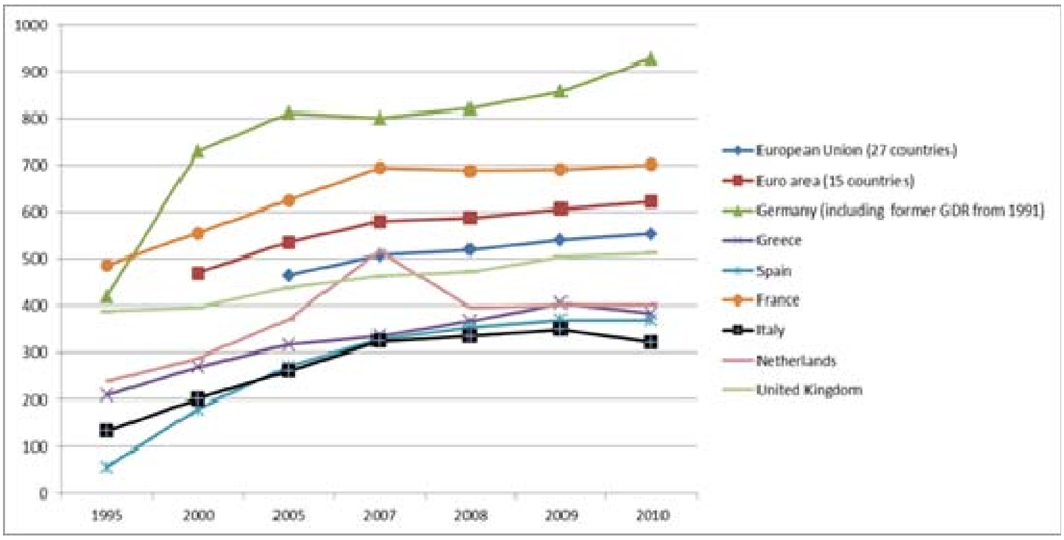
Annex 1
Social protection expenditure in Purchasing Parity Standards[26], per head (Eurostat online database)

Old age

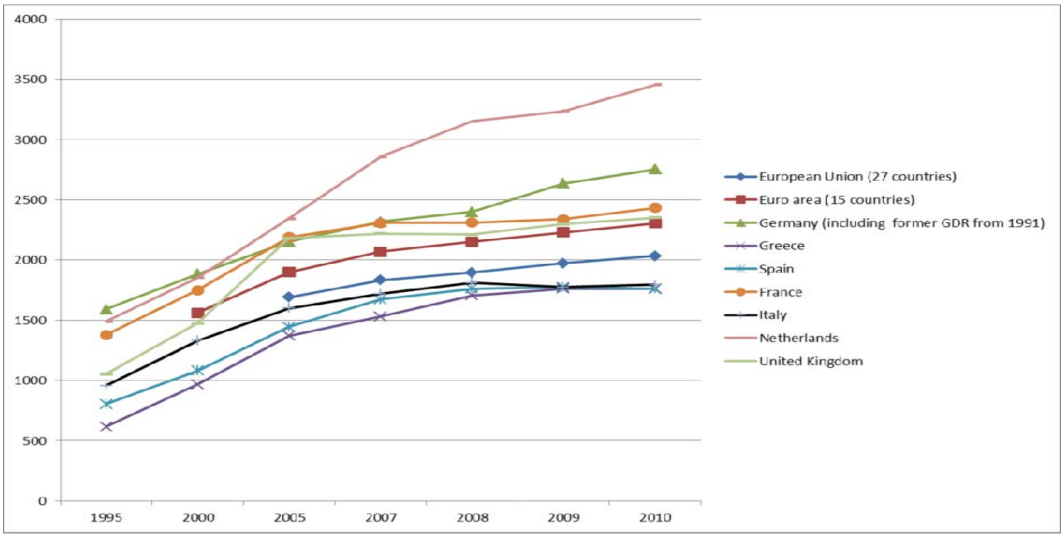


Family/Children



[26] Purchasing Power Standard (PPS) shall mean the artificial common reference currency unit used in the European Union to express the volume of economic aggregates for the purpose of spatial comparisons in such a way that price level differences between countries are eliminated. Economic volume aggregates in PPS are obtained by dividing their original value in national currency units by the respective PPP. 1 PPS thus buys the same given volume of goods and services in all countries, whereas different amounts of national currency units are needed to buy this same volume of goods and services in individual countries, depending on the price level.

Sickness/Health care



Social exclusion