

Gender gap and employment inequality in Italy: what wages can't tell

- On face value, Italy shows one of the lowest gender pay gaps in Europe (**5.3% vs EU average of 13.8%**). However, this is hardly good news for gender equality. The wage gap describes the remuneration gap for **who is already in the labour market, and more specifically the gap in hourly retribution**; of course, that is only one side of the coin. Coming to the overall earnings gap, that accounts for differences in monthly hours worked and gender gaps in employment, difference in income between men and women peaks to **43%** - well above the EU average.
- Looking at employment statistics, indeed, it is immediately clear that this earnings differential depends on two factors: the **different rate at which women are employed**, and the **nature of job arrangements** in which they are concentrated.
- As for employment, **the gap between these two groups is as wide as 17%: in this regard, Italy scores penultimate in the EU after Greece.**
- Furthermore, we observe a strong gender segregation in the labour market, as **women are overrepresented in non-standard, precarious and part-time positions**, both on voluntary and involuntary basis. Women who are in involuntary part-time positions are **three times** as many as men. Also, women are more likely to be employed in the service, care, health, nursery and teaching sectors, generally benefiting from lower social protection.
- This differential in employment patterns dramatically affects women's income in older age. As a matter of fact, they are substantially more likely to experience discontinuous and fragmented careers, as well as to take on informal jobs. Women's poor access to social protection coverage hinders their opportunities to contribute for social security during their life course. For this reason, the average pension in Italy is worth 1750 euros for males and 1257 for females – a striking 500 euros gap. **16% of the elderly women don't receive any pension (while this is true for only 3% of men).**
- Looking for possible explanations to these trends, education is a “usual suspect” for labour market inequalities. However, it is not because women obtain lower educational results, invest less in human capital, and prove less competitive in the eyes of recruiters, that women are discriminated. In the Italian example, on the contrary, women obtain better educational results than men.

- Despite the low gender inequality in education, evidence suggests that only the highly educated women manage to find a job. While 64% of the graduate women work, this applies **to only 17.8% of those with a middle school diploma**. To put it in another way, gender penalizes women even more **when it intersects** with low educational attainment.
- Conversely, men display higher employment levels **no matter the educational attainment**. Among people with a middle school diploma, only 32% of women are employed, vs. 57% of men. This gap is reduced, but not eliminated, with further progresses in education.

... So **why there is this disparity?**

- **For one**, Italy pays the price of a long-lasting **familialist culture**, centered on the male-breadwinner. In a recent nationwide survey, 53% of the interviewees said women should not work full time if they have young children; also, **a majority of women** thinks that it is their duty to perform care tasks.
- **Unfortunately**, discriminatory practices have been frequent in the Italian history; Employers fearing long absences of female workforce have even used systematically the practice of asking women to sign an undated letter of resignation, to be used in case of pregnancy. It seems that 800.000 have been subjected to this requirement in the past. This is illegal under EU law, but Italian legislation has been weak in contrasting this practice.
- The real division of tasks within the households reflects beliefs about traditional roles of men and women: in a household where both partners are employed, women perform 1507 hours of domestic work every year on average, and men only 826. Likewise, having children strongly affects women's employment: **employment rates can be as high as 81% for women without children, and fall down to 56% for women with children**.
- Fourthly, the welfare system is inadequate in supporting women to balance work with care tasks. Family policy provision is less generous than the European average, and geographically fragmented: leaves provide with poor replacement rates and concentrate the burden on mothers. Public childcare services are of high quality, but only a minority of children benefits from them, and mostly in the North of the country.
- Therefore, economic context, skills, and family role produce deeply different female profiles around the countries. Employment can vary from a minimum of

21.9% for low-skilled mothers in the South, to a 93% of graduated with no children in the Center.

To conclude, there is some good news: unions have been very effective in reducing hourly pay gaps by promoting collective bargaining, whose coverage encompasses 90% of the jobs. However, if we want to be serious to contrast the earnings gap, we need to go beyond the mere wage gap measurement, and look at the structural mechanisms engendering inequalities between women and men.

- We need to address skill-biased labour demand, making sure that women receive fair opportunities no matter the educational attainment.
- We need to address women's overrepresentation in low quality and part-time jobs, and eliminate sectoral segregation.
- We need to ensure that women are not discriminated on the bases of deciding to start a family, and strictly monitor abusive behaviors as the one of the "undated letter".
- Finally, policies should be put in place to enhance work-life balance, introducing longer and better retributed leaves and extending childcare coverage.