



The EU Mutual Learning Programme in Gender Equality


Equal Pay

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Comments Paper - Italy



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Equal Pay in Italy

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Abstract:

Women's participation in the labour market in Italy is very low and employed women show different characteristics with regard to the whole female population in working age. By using proper econometric techniques, to take into account the non-random selection of women in the labour market, the wage gap at the disadvantage of 20-55 years old women is about 18%. Policies aimed at removing the obstacles to women's access to the labour market are needed including the investment in the social infrastructure and the empowerment of the existing equal opportunity machineries together with policies at the company level including gender equality certification.

1. The Country Context

1.1. Equal Pay by gender in Italy. Legal Provisions.

The achievement of a reduction in the gender pay, earnings and pension gaps is considered as one of the key areas within the European Commission Strategic engagement for gender equality 2016-2019 and the right of women and men to equal pay for work of equal value is included also in the European Pillar of Social Rights (2017).

1.1.1 Legal Provisions in Italy

The Italian Constitution (article 37) affirms the principle of gender equality in the labour market by stating that: "a working woman shall have the same rights and, for equal work, the same remuneration as a male worker." Italy has implemented EU Directives on equal opportunities and equal treatment for men and women as regards access to employment, vocational training, promotion, and working conditions.

The National Code of Equal Opportunities between Women and Men (Law Decree 198/2006) prohibits direct and indirect discrimination (art. 28 which refers to same work or work of equal value) and promotes equal opportunities between men and women in different areas. Art. 46 of the Code requires, for firms with more than 100 workers, a biannual report on the working conditions by gender to be delivered to the company union representatives and to the Regional Equality Advisor. The latter elaborates the data and sends them to the Ministry of Labour, the Department for Equal Opportunities and to the National Equality Advisor.

In 2011, a regulation on the equal access to the board of directors of stock-exchange listed and state owned companies has been introduced by the Law Golfo-Mosca (Law 120/2011) and in 2012 (Decree 251/2012) on the access to the boards of societies controlled by public administration.

1.1.2 Equal opportunity Machineries

At national level, the Department for Equal Opportunities has been established in 1997 within the Presidency of the Council of Ministers (under the Vice-Minister for Labour and Social Policies). The department has the tasks of coordination, design and monitoring of policies aimed at promoting equal opportunities. However, lack of resources as well as discontinuity in the interpretation of the importance of gender equality with respect to other types of discrimination related to the change in governments can be considered as a limit to its action.¹ Advisory and monitoring functions are also given to the National Commission for equality of women and men established by Law 198/2006, and to the network of Equality Advisors established in 2006 to coordinate the Equality advisors active since 1991 at regional and district levels to monitor and contrast cases of employment discrimination. Again their actions are severely impaired by the lack of resources and heterogeneity on their performance across areas can be detected, similar heterogeneity on performances is shown by the former Equal Opportunity Commissions established since 1988 in public sectors institutions and transformed in 2010 in Unified committees for the rights of the employees that, together with gender equality perform activities against mobbing.²

1.2. The extent of gender inequality in pay

By using data on the unadjusted wage gap as a percentage of the average gross hourly earnings of men computed by using the Structure of Earnings Survey (SES), Italy can be considered as one of the European Countries showing a lower level of wage gap by gender,³ with an increasing trend from 2010 to 2014.⁴

However, this lower wage gap sensibly increases if one takes into account also the low participation of Italian women in the labour market. Eurostat has constructed a new indicator: the gender overall earnings gap that takes into account not only the difference in the average hourly earnings but also the access and intensity of participation to the labour market measured by the monthly average of the number of hours of work and by the employment rates. According to this synthetic indicator Italy shows a gender overall earnings gap by 43.7% against the EU-28 average of 39.6%.⁵ The gender wage gap increases if one takes into account the related problem of the

¹ Rosselli, Annalisa (2014) *The Policy on Gender Equality in Italy*, European Parliament, European Union, Brussels, 2014. <http://www.europarl.europa.eu/studies>

² Rosselli, Annalisa (2014) *op.cit.*

³ Eurostat metadata on gender pay gap in unadjusted form https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=sdg_05_20&pluqin=1 and Table A1 in the Annex.

⁴ Boll, Christina and Andreas Lagemann (2018) *Gender pay gap in EU countries based on SES (2014)*, European Commission - Directorate-General for Justice, Luxembourg, Publication Office of the European Union.

⁵ Eurostat metadata teqges01 and Table A2 in the Annex.

not random selection of employed women in the computation of the adjusted wage gap in Italy.⁶

1.3. Critical points in the Italian context of gender equality in pay

Evidence on gender pay gap in Italy has shown the importance in the Italian context of the effect of non-random selection in employment. To tackle gender inequality in pay in this setting it becomes crucial to promote policies aimed at removing obstacles to women's access to the labour market.⁷ These should include family-friendly policies that allow a better reconciliation of work time and family life times, with greater availability of subsidised childcare services but also with greater access to flexible hours and parental leave less penalising from a monetary point of view. Italy is highly heterogeneous in terms of the diffusion of kindergartens by region and the lower presence of a social infrastructure to sustain main carers, mainly women in Italy, has been found to produce lower employment rates and a higher wage gap at the disadvantage of women.⁸ Moreover, as the analyses of the implementation of the Equal opportunities law and of the activities of Equal Opportunity machineries show, there is a severe scarcity of resources to support the machineries activities both in the monitoring and in the contrast of discrimination that is reflected in the persistence of gender gap in wages and gender discrimination at the workplace or in the access to it. Lack of funding matched with a return to a more conservative view on gender roles jeopardise the achievement of equal pay by gender.⁹

2. The Policy Debate

The context analysis shown above and data on the efficacy of the laws affecting gender equality in pay has brought about a lively debate on the policies to be enacted in order to achieve gender equality in employment and in pay. In this section, we will introduce reference to Law Proposals and to policies suggestions related to the Italian context.

⁶ Addabbo, Tindara (2018) 'Disuguaglianze di genere nel lavoro e nelle retribuzioni in Italia', Ch.8 in Maurizio Franzini & Michele Raitano (Eds.) (2018), *Il mercato rende diseguali? La disuguaglianza dei redditi in Italia*, Bologna, Il Mulino, pp.171-190.

⁷ Olivetti, C. (2009). 'Gender and the Labour Market: An International Perspective and the case of Italy', Boston University - Department of Economics, Boston University - Department of Economics - Working Papers Series: wp2009-010. Addabbo, Tindara (2018) *op.cit.*

⁸ Addabbo, Tindara (2018) *op.cit.*

⁹ Foubert, Petra (2017) *The enforcement of the principle of equal pay for equal work or work of equal value. A legal analysis of the situation in the EU Member States, Iceland, Liechtenstein and Norway*, European Commission, Directorate-General for Justice and Consumers, Luxembourg: Publications Office of the European Union.

2.1. Law Proposals

- 1030/31-07-2018 (Ciprini et al.) to incentivise companies to tackle discrimination and promote women's access to employment by introducing measures such as social security relief for three years or tax deductions.
- 1345/6-11-2018 (Benedetti et al.) to extend the obligation to provide a biannual report from companies with over 100 employees (as in the National Code of Equal Opportunities between Women and Men, art.46 comma 1, L.D. 198/11-04-2006) to companies with over 25 employees.
- 2019 (Rossello et al.) to extend the gender quota criterion of the least represented gender in the board of directors of Stock Exchange listed and state owned companies from 3 to 6 consecutive mandates.

2.2 Policies Suggestions

Considering the Italian context and the extent of wage discrimination by gender, the following policies should be implemented with an indirect or direct effect on the achievement of equal pay:

- Support (also in network with other actors in the territory) of the social infrastructure in order to reduce the limit to mothers' access to paid work and discontinuity related to childcare in their working profiles
- Educational and cultural actions to contrast gender discrimination and stereotyping.
- Policies aimed at reducing inequality or targeting low paid workers with a high number of female workers.
- Transparent remuneration systems & Diversity management.
- Certification on firms' gender equality (including gender equality in pay).
- Proper funding to equal opportunities machineries in order to carry out effective monitoring and contrast to discrimination activities.

3. Good Practices Examples

Good practices that can have a positive indirect effect on equal pay by increasing women's labour supply continuity over the life cycle include:

- Increase in the provision of public child care services
- Family Audit Certification,¹⁰ introduced since 2008 in the Province of Trento it has been extended at regional level in 2012 and to other regions in collaboration with

¹⁰ EIGE, <https://eige.europa.eu/gender-mainstreaming/good-practices/italy/productivity-and-wellbeing-through-family-audit>

the National Department for family policies.¹¹ Through this action private and public institutions design a family work-life balance plan that is monitored by external evaluators and that can lead to obtain a family audit certification.

Good practices with a potential more direct impact on the reduction of the gender pay gap recently implemented:

- Draft Agreement between the National Labour Inspectorate and the National Equality Adviser on the 6th June 2018 that updated the agreement of 2007 by intensifying the collaboration between the two institutions in fighting discrimination also at local level;¹²
- Pink Seal (*Bollino Rosa SONO*, designed and implemented by the former National Institute for the development of workers' training Isfol now National Institute for the Analysis of Public Policies, INAPP and by the Ministry of Labour in collaboration with a pool of experts), a system of gender equality certification that included also the evaluation of equality in pay.¹³

4. Transferability

After the new mandatory “Pay Equality Certification” system adopted in Iceland a debate took place in Italy on the status of equal pay enforcement as compared to Iceland. Art. 46 of the National Code on Equal Opportunities between Women and Men with the requirement of a biannual report on the working conditions by gender for firms with more than 100 employees has been compared to the new Icelandic pay equality certification, stating that it is important to implement the existing law.¹⁴ However the Italian requirement applies only to firms with over 100 employees (not 25 as in Iceland, though a project of reform to extend it to over 25 employees has recently been presented to the Italian Parliament) and moreover it does not include an obligatory equal pay certification as in the Icelandic 2017 Act that became effective in January 2018.

An enhanced and extended (with respect to the size of the firm) monitoring system of gender equality in Italian firms and institutions with a renewed implementation of gender equality certification could pave the way towards obligatory equal pay certification also in Italy. However, this should require a thorough empowerment of the equal opportunities machineries, more financial and human resources to develop certifying bodies together with a clear political will.

¹¹ <http://www.politichefamiglia.it/it/politiche-informazioni-e-servizi/politiche-informazioni-e-servizi/famiglia/conciliazione-famiglia-e-lavoro/family-audit/informativa/>

¹² <https://www.equalitylaw.eu/downloads/4652-italy-draft-agreement-between-the-national-labour-inspectorate-and-the-national-equality-adviser-pdf-32-kb>

¹³ Addabbo, Tindara; Gisella Facchinetti; Giovanni Mastroleo, Tiziana Lang. 2009. “Pink Seal” a certification for Firms’ Gender Equity’ in Bruno Apolloni, Simone Bassis, Carlo F. Morabito (Eds.) (2009) *Frontiers in Artificial Intelligence and Applications*, Volume 204, 2009, p. 169-176, Book series: *Frontiers in Artificial Intelligence and Applications (FAIA)*, Amsterdam, IOS press.

¹⁴ D’Ascenzo, Monica (2018) “Islanda la parità di stipendio tra uomo e donna diventa legge” *Sole 24 Ore*, 2/01/2018. <https://www.ilsole24ore.com/art/mondo/2018-01-02/islanda-parita-stipendio-uomo-e-donna-diventa-legge-090214.shtml?uuid=AEbcasZD>

But what can be the limits in the effect on equal pay of extending the Icelandic Act to a country like Italy? Horizontal gender segregation in the labour market matched with the still very low access of Italian women to paid employment could be a limit to the impact of the law on the gender wage gap reduction in Italy requiring additional actions devoted to improve women's access to the labour market and to reduce horizontal gender segregation. Attention should also be paid to monitoring its implementation to the effect on firms' dimension considering also the diffusion in Italy of very small firms.¹⁵

5. Conclusions

The following suggestions to advance in pay gender equality arise from the analysis of the Italian case in the light of the discussion of the transferability of the Icelandic Act on Equal Pay Certificate:

- The need to pay attention to the measurement and the analysis of the determinants of gender pay differential
- The need of empowering equal opportunities machineries to ensure monitoring and contrast to gender discrimination activities
- Equal pay certification can be a valid tool to tackle at least part of the observed gender gap in pay
- The need of further actions to reduce gender inequalities in pay related to the existence of horizontal segregation in the labour market and limited access of women to employment (as in the case of Italy)

¹⁵ This concern has been expressed with regards to the Icelandic Act also by Ines Wagner (2018). "Certified Equality: The Icelandic Equal Pay Standard", Institute for Social Research, Report, 11, 2018 and by Olga Rymkevici (2019). "Gender-based Pay Discrimination in Iceland and Russia: to What Extent does the Law Matter?", in Martha Monsalve (ed.) (2019) *Genero y no discriminacion analisis Transversal e Interdisciplinario*, Madrid, Aldebaran forthcoming.

Annex 1

Table A1 – Gender pay gap in unadjusted form
Industry, construction and services
(except public administration, defense, compulsory social security)

Countries	2017
Estonia	25,6
Czechia	21,1
Germany	21
UK	20,8
Austria	19,9
Slovakia	19,8
Switzerland	17,0
Finland	16,7
Portugal	16,3
EU 28	16,0
Latvia	15,7
Iceland	15,5
France	15,4
Lithuania	15,2
NL	15,2
Spain	15,1
Denmark	14,7
Norway	14,3
Hungary	14,2
Cyprus	13,7
Bulgaria	13,6
Sweden	12,6
Malta	12,2
Croatia	11,6
Slovenia	8,0
Poland	7,2
Belgium	6,0
Italy	5
Luxembourg	5,0
Romania	3,5

Source: Eurostat metadata earn_gr_gpgr2

From Structure of Earnings Survey (SES)

Table A2 – Gender overall earnings gap

Countries	2014
Turkey	57,9
Netherlands	47,5
Germany	45,2
UK	45
Austria	44,9
Switzerland	44,5
Malta	43,9
Italy	43,7
Greece	41,4
Czechia	40,4
EU 28	39,6
Estonia	38,4
Slovakia	37,3
Ireland	36,8
Spain	35,7
Iceland	34
Luxembourg	32,5
Hungary	32
Serbia	32
Poland	31,5
Norway	31,5
Belgium	31,1
France	31
Cyprus	26,9
Romania	26,8
Sweden	26,2
Denmark	26,1

Portugal	26,1
Montenegro	26
Croatia	24,4
Finland	24,1
Bulgaria	22,8
Latvia	22,8
Slovenia	19,6
Lithuania	19,2

Source: Eurostat metadata teqges01.